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NOTES ON THE PROCESS OF ACQUIRING POWER

By BARRINGTON MOORE, JR.

I

HUNDREDS of books have been written to describe the ways in which particular groups or individuals have come to exercise domination over large numbers of their fellows. Despite this tempting wealth of factual material, or perhaps because of it, modern social science has very largely avoided any attempt to discover and explain, within a strictly empirical framework, what recurring patterns there may be in these myriads of events. The following pages represent a very modest effort in this direction.[1]

If there is indeed a distinguishable process of acquiring power, or, as is more likely, a series of such processes, the attempt to distinguish them must be formulated in terms of a time sequence. It should indicate the conditions in the society as a whole that lead to a concentration of power. In addition, it should indicate the sequence of stages through which the concentration takes place.

There is of course no need to adopt a priori the view that all societies pass through absolutely identical or even closely similar stages whenever power becomes concentrated. A more fruitful approach may be to try to analyze the range of problems encountered by different types of social groups on the road to power, and the variety of solutions they have attempted at each stage of the journey. Though what I have to say is concerned primarily with the acquisition of power and authority over an entire society, many of these observations apply also to the acquisition of domination over smaller groupings. The establishment of a new and vigorous administration in a corporation, a university, or a labor union displays recognizable similarities to corresponding phenomena in society as a whole.

The first question that occurs rather naturally is how the power-seeking process begins. Are there, for example, any common features in the situations that start the Bolsheviks on the way to the Kremlin, the early Christians on the route that leads to Innocent III, the French

[1] The support of the Center for International Studies, Massachusetts Institute of Technology, and the Russian Research Center, Harvard University, in this inquiry, is acknowledged with pleasure. My friends and colleagues, Professors Herbert Marcuse, Alexander Eckstein, Robert L. Wolff, and David M. Schneider, have given me the benefit of critical comments.

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kings on the road to Versailles, the Moguls on the way to the splendors of Shah Jahan's reign? Here we may limit our attention to some of the grosser structural features of the societies that nourish the seekers after power.

There are, I suggest, at least three main types of situations that serve to initiate an active search for political power and political centralization. The first and simplest is the case in which a society undertakes some new set of activities that by their very nature require a high degree of central coordination. A second and much more complex case occurs when either external shock or internal decay produces a movement for the forced reintegration of a society around new or partially new patterns of behavior. The third type, for which the somewhat unsatisfactory term "monarchical absolutism" may be offered, is found where the rulers of one segment of a loosely ordered system gradually expand their control over the whole system or a substantial part of it. Perhaps none of these generalized causal antecedents ever occur in a completely pure form. Certainly cases can be found where all of these factors are intertwined with one another. Yet each of the three is at least analytically distinguishable, and empirical approximations may be found in the record of history.

Among the new activities requiring a high degree of central coordination, the emergence of warfare on a large scale provides one of the clearest examples. The development of irrigation systems on a broad territorial base is another. Marx, and some who follow in his footsteps, have regarded this factor as the major one behind the growth of Oriental despotisms. The growth of modern industry provides still another illustration. Though recent research has thrown some doubt upon the thesis that increasing monopoly characterizes industrial advance,[2] the expanding role of the central government over the past fifty years can scarcely be denied.

What is it about such new activities, which evidently are not limited to modern industrial society, that bring about great concentrations of power? In the illustrations that have been offered three general characteristics may be observed. In the first place, the activity in each case calls for the allocation of large amounts of human and natural resources. The allocation is a continuous process that requires frequent changes of direction. This is particularly true of a military organization, in which large bodies of men and materials may have to be shifted rapidly from one place to another in accord with swiftly changing

[2] See A. D. H. Kaplan, *Big Business in a Competitive System*, Washington, D.C., 1954, pp. 234-41.

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circumstances. Likewise, when industry fails to flow in the directions deemed socially desirable, the pressure for political control rises. In the second place, each activity is one in which large numbers of people have to be persuaded or compelled to act against their earlier habits and perhaps even their natural inclinations. One recalls the effort of disciplining the labor force that has accompanied modern industrialization, as well as its sterner counterparts in military organizations and the great public works of Oriental despotism. Finally, in each activity a competitive advantage accrues to that social unit which can mobilize or control the larger quantity of resources. Up to a limit in size that cannot be specified in general terms, this is true of both an industrial concern and a territorial state.

In the preceding cases the development of new activities required both centralized decision-making and the use of compulsion. In some circumstances the element of compulsion may be absent, or nearly so, from a system of centralized coordination. For example, a centralized dispatching arrangement in a taxi fleet deprives the individual cab driver of the opportunity to make certain decisions on his own. It represents one form of modern centralized decision-making, though no doubt a trivial one. The dispatching system supplies the driver with fares much more continuously than is possible without this device. In this case, since centralized decision-making assists the individuals in the group to achieve their individual purposes, i.e., making money by driving taxis, there is little or no objection to the system.

If we wished to be absolutely precise in our terminology, we might call such cases examples of the concentration of authority, as distinguished from the concentration of power. Since the distinction requires knowledge about the subjective feelings of those who obey, it is far from an easy one to apply in practice. Both elements are present in widely varying proportions in any concrete case. This essay will concentrate on the type of situation in which the element of compulsion plays a major part, though the element of accepted authority will also be observed in many of them.

The second type of situation suggested as the source of power-seeking movements is one of external shock or internal decay. To choose a remote example first, the forceful unification of China for the first time, in the third century B.C., by means that recall modern totalitarian movements, was preceded by the disintegration of Chinese feudalism. Communications improved, the use of iron increased, and the rigid barriers between social classes began to dissolve. The time was also one of intellectual ferment about which Mencius exclaimed bitterly,

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"Sage kings cease to arise . . . and unemployed scholars indulge in unreasonable discussions."[3] The essence of such situations is that human institutions fail to satisfy the expectations put upon them by a significant portion of the people living under them. A period of widespread and prolonged unemployment produces exactly these consequences in modern industrial society. Then the family breadwinner literally cannot fulfill the expectations laid upon him by his own conscience, by the members of his family, his friends, and the rest of the community.

This type of institutional failure can come about either through damage from external and internal sources to the political and social structure, or through changes in the purely subjective factor of the level of expectations itself. Poverty can exist for centuries and be regarded as part of the nature of the cosmos until a different way of looking at the world becomes available, frequently through contact with another society. The importance of this element in contemporary Asian revolutions has often been pointed out. Though the subjective factor of a change in the level of expectations can be separated from the objective elements of the economic and political structure, the two ordinarily change together.[4]

One possible consequence of institutional failure may be an added flow of power to whatever central authority already exists. Toynbee regards empire-building as the symptom and consequence of social disintegration, and has collected a number of illustrations.[5] Examining crises, or institutional failures within a shorter time period, Sorokin has collected a number of cases purporting to show that political centralization is the typical response.[6]

The characteristic course of events is that the central authority finds it necessary, and often also agreeable, to substitute decisions made by itself for those made by individuals in a more diffuse manner throughout the society. Where the diffuse system of decision-making breaks

[3] Derk Bodde, *China's First Unifier*, Leiden, 1938, pp. 1-2.

[4] Some sociologists might object to this formulation, since they regard a built-in set of expectations as an essential part of any institution. Unless we know what to expect from other people, there can be no regularity and predictability in human behavior, they assert. Granting this point, I still think that people may change their ideas before they change the structure of their institutions, as well of course as afterward. Thus there were many changes in ideas and expectations before the collapse of the *ancien régime* in the French and Russian revolutions. Hence the two are separable, not only theoretically but also empirically.

[5] Arnold J. Toynbee, *A Study of History*, abridgment by D. C. Somervell, New York, 1947, pp. 190, 336-49.

[6] P. A. Sorokin, *Social and Cultural Dynamics*, New York, 1937, III, pp. 196-208. See also pp. 185-96 for a more general analysis of political centralization.

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down, as in the collapse of price cues for producers' decisions in a depression, the central authority substitutes its own cues and decisions. In some cases power and responsibility may be thrust upon people against their will, while in others they may be actively sought by ambitious individuals.

Not always, however, does the failure of a social system lead to a strengthening of the position of those at its apex. On more or less a priori grounds, one might suspect that the opposite course of events occurs more frequently. As the supporting institutional framework is eroded, it may collapse under the rulers instead of providing greater opportunities and demands for intervention and revolution by administrative fiat. There may be a breakup of the larger system into smaller units warring with one another, as happened repeatedly in India and China, as well as in Europe with the disintegration of the Roman Empire. Modern technology may make this particular form of disintegration unlikely in the future, though it cannot be ruled out completely.

The partial failure of a set of institutions to live up to what is expected of them provides an atmosphere receptive to demands for a more or less extensive overhaul of the status quo. At this juncture the future course of events depends heavily upon the models of a better world that become available to various strategic groups in the population. In the meantime the rulers may increase their efforts to prevent the population from gaining access to any models except those of their own creation, whose virtues they may stress with an increasingly frantic tone.

As a third very general source and type of political consolidation and expansion I have suggested the term "monarchical absolutism." It may be distinguished from the preceding one partly on the ground that it does not necessarily derive from the disintegration of a previously existing social system, though in some cases, particularly the rise of the Romanoffs, and perhaps some Asiatic despotisms, this may play an important part.

The central feature of absolute monarchy is that the ruler of one segment of a large and loosely organized polity imposes himself upon and brings order to the larger group. Purely personal factors, such as the ambition of an able and energetic ruler, may under favorable circumstances be all that is required to start the process of acquiring power in the form of monarchical absolutism. Especially in its early stages, monarchical absolutism does not appear to be propelled forward by the deep tides of economic and social change. Once the process has begun, a tradition may be established that it is the duty of the monarch to expand and

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consolidate his authority through incorporating various classes and interest groupings in the service of the state. Since the monarch who fails to do this runs the risk of losing his authority to vigorous domestic and foreign rivals, the process perpetuates itself. It is worth noting that monarchical absolutism usually takes a long time, as much as several hundred years, to run its course.

Roughly the sequence of events just described appears to have taken place in France with the rise of the Capetian dynasty in the tenth century and the extension of the monarch's role, with occasional interruptions and retrogressions, up to the Revolution.[7] An approximately parallel growth took place in Prussia and Russia. In India the same phenomenon occurred several times, as vigorous indigenous or foreign dynasties managed to establish peace and order over a substantial part of the peninsula.

In the course of extending their power, the rulers of a developing absolutism are likely to produce their own distinctive rationalizations and doctrines, such as the divine right of kings, or the Confucian ethic of China. But, in contrast with totalitarian regimes, there remain considerable areas of social life with which the absolute monarch does not seek to interfere. In *The Age of Absolutism* Max Beloff points out that in spite of their claims of absolute power these monarchs were "in a sense conservative, since legitimacy was of their essence." Power was limited by law and custom and compelled to respect large areas of the status quo. Existing privileges and vested interests were strong enough to resist central coordination.[8] Monarchical absolutism does not display the same intention or capacity to reconstruct the entire social order as do revolutionary movements arising out of a period of social decay.

II

All groups and individuals who seek power are discontented about some aspect of the society in which they live. In many cases the discontent merely reflects the fact that one person wants power when another person happens to have it. There is no demand for changing the structure of the system itself. For the rest of this discussion we may leave this form of personal ambition aside, with only occasional observations, in order to concentrate upon the growth patterns of movements that arise out of a failure of social institutions to match human

[7] Hedwig Hintze, *Staatseinheit und Föderalismus im alten Frankreich und in der Revolution*, Berlin and Leipzig, 1928.

[8] Max Beloff, *The Age of Absolutism, 1660-1815*, London, 1954, pp. 49-50.

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expectations. Discontent in this setting is likely to express itself in the formulation of a doctrine.

The creation of a doctrine has often been one of the very first steps along the road to power. With widely varying degrees of elaboration, the doctrine provides an explanation of what is wrong with the current state of affairs and what should be done to correct this state. We may designate such a doctrine the charter myth of a power-seeking organization.

Probably no charter myth has ever been completely static. Instead it undergoes modification and elaboration in response to the vicissitudes of the organization's life. In this connection it is worth noticing that in the course of its growth a doctrine does not necessarily become milder and more tolerant as it becomes incorporated into a working institutional system. The Inquisition, as is well known, was a relatively late development in Christianity, organized partly to counter indiscriminate popular frenzy against those who professed unpopular opinions. In Islam one may point to the strenuous efforts of the seventeenth-century Mogul Emperor Aurangzeb to uproot and destroy Hinduism, after an extended period of religious tolerance by his predecessors.[9] The emergence of a real or imaginary threat to rulers whose power has a strong theocratic tinge may bring about a compulsory orthodoxy which is more repressive than that found in the early and fanatical stages of a movement, because it has more powerful instruments at its command.

Any concrete charter myth, such as Christianity or Marxism, contains a mixture of truth and propaganda. A large portion of political theory concerns itself with the critical evaluation of such myths from a variety of ethical positions. No such attempt can be made here, and the discussion will be confined to a few empirical suggestions concerning the content and structure of such myths.

Among the enormous variety of charter myths that have arisen in the course of human history, one may distinguish two frequently recurring issues. One issue is that of nativism versus xenophilia. By nativism I mean an energetic and somewhat distorted reaffirmation of the indigenous way of life, a reaction often produced in a society that feels itself threatened by forces beyond its understanding and control. But social disturbances may also produce xenophilia, or a longing to copy the ways of another culture. The other issue is that of hierarchy and discipline versus equality and freedom. A "time of troubles" may pro-

[9] See H. G. Rawlinson, *India: A Short Cultural History*, 4th ed., London, 1952, Chap. XIX.

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duce demands for either more or less equality, often in terms of some larger principle such as race or reason. Either hierarchy or equality may conceivably be combined with one of the remaining pair, nativism or xenophilia.

The combination of nativism with a stress on discipline and authority yields a result familiar in the modern world, called pseudo-conservatism, in its more diffuse social manifestations, and fascism when it becomes an organized political movement.[10] The partial breakup of a society can result in a call for a return to some semi-imaginary past, and a reaffirmation of the sturdier virtues, in order to attain a hoped-for future. This result is, perhaps, especially likely to occur where the virtues of physical courage, self-control, and subordination to authority have been successful in the past. In its early stages, the pseudo-conservative movement can take the form of support for the existing rulers. In any case, those in power are likely to try to make use of it. The erosion of the status quo may produce a Cato before it brings forth a Catiline or a Hitler. Pseudo-conservatism, however, soon goes beyond the status quo to demand a thorough redistribution of privilege and authority. As in the Nazi movement, or even in extreme right-wing Republican statements in the United States, pseudo-conservatism calls for the overthrow of the existing regime on the grounds that it has grown "too soft" or has made its way to power through "treachery" to the ancient way of life.

Where nativism and egalitarianism are combined in a charter myth, the egalitarian aspect often falls short of universal application. Sparta, living under the permanent emergency of a Helot revolt, constitutes a well-known example. There the equality prevailing in the ruling caste did not of course extend to the suppressed Helots. In nationalist movements, too, the conception of equality is ambiguous. During the early stages, admiration for the oppressor may occur along with a demand for equality with the dominant group. Both themes are very noticeable in Indian nationalism. Even the Nazis displayed some Anglophile sentiments, particularly admiration for the supposed cunning of the British aristocracy, regarded as the major reason for the German defeat in 1918. Later such admiration may turn to hate. One might summarize the characteristic stages of development in a series of slogans. First: "We ought to be equal to you, our oppressors!" Second: "We really are equal to you, our oppressors!" Third: "We are superior to you and everyone else, though in comparison to such unfortunates as

[10] See T. W. Adorno, *et al., The Authoritarian Personality*, New York, 1950, pp. 675-85.

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you, we are equal among ourselves!" Thus for nativist movements the doctrine of equality serves two purposes. It furnishes the ground for denying the out-group's claim of superiority. And it emphasizes similarities within the in-group, in order to distinguish the in-group from the out-group.

Nativism represents a twisted or idealized affirmation of the existing order, so twisted as to be genuinely revolutionary. Nevertheless, in its more developed form of a fanatical religious or secular patriotism, nativism is always tied to a particular group. In Germany it may take the form of National Socialism, while in Japan it appears in the guise of a revival of the imperial cult. In India it becomes Hindu or Islamic communalism, and in the United States 200 per cent Americanism.

Egalitarianism, on the other hand, generally represents a rejection and negation of the existing order. This fact may account for what appears to be its greater capacity for xenophilia. English egalitarianism once looked to the French Revolution, while the French revolutionists looked to republican Rome, the Greek tyrannicides, or to an imaginary state of nature. About equalitarian movements among American Negroes it has often been observed that their center of gravity lies outside the Negro caste, and that they take their standards of behavior from the American middle class.

In contrast to nativism, egalitarianism represents a universal, though utopian, principle for the ordering of social relationships. For this reason its appeal can readily transcend national and religious boundaries. During the initial stages of political upheaval, this universal quality may constitute one of the strategic advantages of Communism over nativist forms of authoritarian rule, especially in Asia. However, as the super-patriotism of latter-day Stalinism demonstrates, once an egalitarian revolution acquires a territorial base and a vested interest in a particular social order, it may acquire the traits we have noticed in nativism.

As a program in its own right, egalitarianism by definition calls for the replacement of the status quo by a society in which the prevailing inequalities will be leveled out or perhaps merely reversed. It may take either a secular or a religious form, an attempt at the active reconstruction of the world or a withdrawal from it. Even in the latter instance, as in monasticism in both its Asiatic and Western forms, it may achieve considerable secular power. However, since the acquisition of power requires the development of hierarchy and discipline at some point, an egalitarian movement starts off at an initial disadvantage in relation to its competitors. Sooner or later, if it is to be effective, it must

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compromise with its initial principles. Christianity required several centuries to reach this compromise, while Marxism, especially in its Leninist version, reached this stage very rapidly.[11]

Thus the quest for power is justified in terms of some larger scheme of values. For the early stages of a movement, therefore, it is probably always correct to assert that power is an instrumental value, something that is sought not in its own right, but to obtain something else. Very rapidly, however, power tends to become an ultimate value. The very fact that power is such a vital instrument in the pursuit of many other values tends to transform it, in the course of its acquisition, from a mere instrument to an end in itself. The process may be clearly observed in the rise of the Papacy and in Russian Marxism, as well as in many other movements.

In addition to providing a justification for the search for power, the charter myth usually contains at least rudimentary rules for the allocation of authority within the power-seekers' own organization. As part of such rules there is also some explicit or implicit provision designating what persons may interpret the doctrine in the future. Still another very significant aspect of the charter myth is the definition of membership in the group.

Among these rules, the one defining membership may be the most important in giving the group its character. A sharp boundary line between those who belong and those who do not aids a movement in preserving its identity in the course of subsequent struggles. The necessity to preserve this boundary line becomes increasingly important the more a movement seeks to control the entire span of the individual member's behavior, personality, and inmost thoughts. Thus the early Christian communities were at first "bound together merely by the ties of spontaneous aggregation," though they could refuse membership to persons deemed unworthy of it. At an early period the test of membership became the act of partaking of the Lord's Supper. Out of this early symbolism there grew the dread power of excommunication.[12] Certain aspects of the definition of membership in the Christian community, particularly the treatment of those whose faith had temporarily lapsed under the stress of persecution, became a matter of acrid dispute among the early bishops.[13] In general, the struggle over doctrine and

[11] For these developments in Christianity, I have found the following sources to be the most helpful: F. Heiler, *Altkirchliche Autonomie und Päpstlicher Zentralismus*, Munich, 1941; Henry C. Lea, *Studies in Church History*, Philadelphia, 1869; J. Haller, *Das Papsttum: Idee und Wirklichkeit*, 2nd revised ed., Basle, 1951-1953, 5 vols. All references to Haller, *Das Papsttum*, are to this edition unless otherwise noted.

[12] Lea, *Studies in Church History*, pp. 232-35.

[13] *Ibid.*, pp. 240-43.

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personnel may easily lead to serious splits in the early stages of a movement. This has been true not only of groups that begin with a rejection of the pursuit of secular power, such as Christianity and Buddhism, but also of movements with stronger political emphasis, such as Islam and of course Marxism.

In the course of such struggles, a marked strategic advantage accrues to the victorious faction if it can also establish that no rules governing the appointment of people to various posts and no element in the doctrine are immune to interpretation by whatever person stands at the apex of the organization.[14] The struggle of the Roman Bishops to gain exclusive authority over doctrine and the appointment of subordinates constitutes the major theme of early church history. During these internal conflicts, the Popes made use of forgeries that in scope and boldness of execution far surpass the Stalinist rewriting of history for similar purposes.[15]

Thus the main function of the charter myth lies in the establishment of legitimacy, or obedience that will occur without coercion. Through rules governing the allocation of authority within a power-seeking organization, it provides the basis of legitimacy within such a group. Through its public program and the doctrines used to justify this program, it attempts to establish a similar basis for obedience and acceptance within the larger society.

III

Now we may examine some of the alternatives facing the seekers after power in their subsequent efforts to master the internal environment of their own organization and the external environment of the larger society.[16] We may begin with the conception of a small group of men known personally to one another. It may be the ruler and his associates who have limited authority over a small area and wish to extend this authority much more widely. Or it may be a group that is

[14] At the height of papal authority, its arbitrary nature reached the point where the "popes sometimes, in virtue of their supreme authority, granted as a special privilege the right not to be excommunicated without cause" (*ibid.*, p. 403).

[15] The entry under "forgeries" in the index of Lea, *Studies in Church History*, occupies a full column of fine print. Concerning the most famous of these, known as the Pseudo-Isidore, which greatly strengthened the power of the Pope, Haller remarks that they were "the biggest, the boldest, and the most fateful in their consequences, of any forgeries that have ever been attempted." See his discussion in *Das Papsttum*, II, pp. 54-62. It seems likely that the development of printing may have made this type of deception less easy to perpetrate on a wide scale. On the other hand, it aids in the rapid and widespread dissemination of lies about contemporary events.

[16] I take the distinction between the internal and the external environment from George C. Homans, *The Human Group*, New York, 1950, p. 90.

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out of power in a particular state or community. (In the latter case, the members of the group will probably be united around some program, which need not have secular power as its objective.) Such a group may be regarded as the primary cell, with the leader as its nucleus, out of which a larger and more differentiated social structure may grow.

One process that may occur, especially if the original nucleus is not committed to the pursuit of secular power, is growth by simple division and the formation of new cells. This is roughly what happened in the spread of the Christian communities around the Mediterranean basin in the first centuries of our era. However, if the group takes up the pursuit of secular power, simple cell division will probably turn out to be no more than a beginning stage, and a transition to other more tightly knit and hierarchical structures. Indeed, because the early Christian communities were larger than the original body of apostles, they adopted a more hierarchical arrangement for settling their internal affairs. In turn, this hierarchical arrangement set the pattern for the efforts of one of the divisions, the Roman See, to take command of the entire Christian world.[17]

One way in which a hierarchical structure may emerge is through the extension of the personal relationships and personal loyalties that exist within the original nucleus to a wider circle of people. This process results in the spread of a diffuse obligation, covering a wide variety of activities. The outcome may be provisionally labeled "feudalism," a form that has arisen in many parts of the world. As is well known, feudalism may also grow from the bottom upward as inferiors commit themselves to superiors for protection. Repeated experience in both Europe and Asia demonstrates that feudal relationships are adequate to coordinate, at least loosely, the activities of a large number of people over a wide area of territory.

Though feudalism constitutes a much more distinctly hierarchical form of coordination and growth than cell division, it remains a very loose form of social organization. It will not serve to focus the energies and activities of a large number of people on a narrow social front or upon a single goal. Under feudalism the leader turns over to his subordinate a piece of territory to do with as he likes provided certain minimal obligations of loyalty, military support, or tribute are met. In the same way, the inferior may commit himself to the charge of a superior in return for protection. The relationship that arises is a personal one that includes within it a large variety of functions and obligations.

[17] Haller, *Das Papsttum*, I, pp. 47-136; Lea, *Studies in Church History*, pp. 104-53.

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Its diffuse nature makes it an inadequate instrument for a vigorous group with a definite policy in mind which the group wishes to impose on an extensive territory or a large number of people.[18]

A rational bureaucracy, with its firm allocation of rights and duties for each post in a well-defined chain of command, is a far superior instrument for the execution of a definite policy. In its classic form, made familiar through Weber's analysis, a bureaucracy controls very specifically a limited range of the activities of the subordinate members. One gives and receives orders only in one's official capacity. In a large corporation the vice-president in charge of sales can require his subordinates to drop one kind of selling technique and adopt another. But he cannot impose a *corvée* or the requirement of military service on the company salesmen. Their obligation is limited to selling the company products. Furthermore, the company is free to discharge inadequate salesmen and hire better ones, while the salesman becomes an interchangeable part, able to perform as effectively for one company as another—if he is lucky enough to get a job.

Under feudalism the system of interchangeable parts does not exist, or occurs on a very restricted scale. The serf is tied to the land and the vassal to his overlord. But feudal relationships may be transformed into bureaucratic ones in a variety of ways. An increase in the number of activities carried on within a society brings with it the specialization that modifies the diffuse feudal bond. An attempt to impose more precise coordination and greater economic burdens for military purposes has similar consequences. Both elements were significant in the rise of royal absolutism in Europe. The transformation required the destruction of the old order, sometimes peacefully and gradually but more often violently and painfully, as part of the birth pangs of the new.

Just as feudalism may be transformed into rationalist bureaucracy through the effort to achieve a closer control over the activities of a group, so may the rationalist and legal bureaucracy be transformed into a totalitarian hierarchical structure. From the standpoint of the supreme authority, the chief defect of a bureaucracy is that it operates according to rules that are impersonal and not subject to ready change. These rules, necessary to give a bureaucracy its qualities of regularity and precision, also serve to inhibit the leader from exercising his power fully.

[18] Cf. Otto Hintze, "Wesen und Verbreitung des Feudalismus," *Sitzungsberichte der Preussischen Akademie der Wissenschaften* (1929), p. 323. As the author puts it, feudalism is characterized by a division of state power according to its objects, that is, land and people, instead of according to its functions, as in the modern state.

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In the absence of rules, on the other hand, the supreme authority in a totalitarian system can alter policy and shift the personal instruments of his power with minimal hindrance from the organization. In this manner he can nip attachments to a particular locality or to a particular function, such as the military, economic, police, or propaganda, before they can consolidate themselves and become a threat. For this reason a totalitarian ruler makes strong efforts to be informed about every local quarrel and to act as the authority that settles these quarrels. At the same time he frequently jumps over intervening links in the chain of command to make his power felt at the lowest levels.[19] What I have elsewhere called the "vested interest in confusion" seems to be an essential element in the internal dynamics of totalitarianism.

Also in contrast to rational bureaucracy, totalitarian rule seeks a full commitment of the subordinate's personality to the dictator's objectives. In this way it represents an extension of the charismatic relationship that binds the original band of followers to the leader. Just as they are to devote their whole lives and feelings to the leader's mission, so also are the subsequent adherents. Naturally this commitment is never fully realized in practice. It rapidly becomes diluted, as the movement grows, and is replaced by other bonds, such as the bureaucratic and the feudal types. Nevertheless, the movement may retain, and even elaborate, some traits designed to prevent the followers from developing strong external attachments that would divert resources and energies away from the group goal. The practice of sacerdotal celibacy is a well-known example. It appears to have been demanded, in the Catholic Church, mainly to prevent the clergy from acquiring property interests in conflict with the Roman hierarchy.[20] Personal relationships with those outside the movement or hostile to it may be forbidden, as is the case with Communists. The round of internal activities and rituals may be increased so as to absorb the whole of the member's time and energy.

If we leave aside the simple process of cell division, the internal aspects of the growth of a power structure out of a single cell consist essentially in the allocation of human and material resources to subordinates, along with a corresponding allocation of tasks or functions, combined with devices to ensure loyalty and obedience to the guiding nucleus. Among such devices coercion plays a well-known role. Where the allocation of resources is emphasized, subsequent development takes the form of feudalism or tax farming. Where the allocation of func-

[19] Such behavior was characteristic of the Papacy at the height of its power. See Haller, *Das Papsttum*, 1st ed., Stuttgart, 1939, II[2], pp. 6-7.

[20] Henry C. Lea, *History of Sacerdotal Celibacy in the Christian Church*, 3rd ed., New York, 1907, 2 vols.

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tions is stressed, rational bureaucracy arises. Totalitarianism represents, in part, an attempt to allocate functions without granting control over the resources that the function requires, in order to prevent the growth of independent bases of power in the hands of subordinates.

To avoid possible misunderstanding, it is perhaps necessary to point out that there is no inevitable sequence of stages in the forms of feudalism, rational bureaucracy, and totalitarian hierarchy. Each of the three, as I have tried to indicate, contains within it disruptive forces that can transform it into either of the other two.[21] But it would be a mistake to regard these tendencies as merely disruptive. It is highly likely that none of the three types of hierarchical structure sketched in the last few paragraphs could ever exist in a pure form. Even the most cold-blooded and precision-minded rational bureaucracy expends considerable effort to build up organizational loyalty. It also demands certain standards of behavior outside the office as well as during working hours, often on pain of dismissal. In other words, it displays certain feudal and totalitarian traits. Likewise, no feudal system will work unless a superior can give at least some orders and expect them to be carried out in the manner of a rational bureaucracy. The same is true of a totalitarian dictator. Since no one system will operate successfully by itself, traits must be adopted from the others to supplement its internal deficiencies. In turn, the adoption of these traits may undermine the system. Any concrete and empirical system of power and authority is likely to contain an unstable mixture of the three. The situation recalls the Hegelian dialectic with emphasis on inevitable internal contradictions.[22]

As we turn from the internal aspects of growth to the external ones, i.e., the relationships between the power-seeking group and the surrounding society, it is possible to distinguish at least four recurring problems that are faced by any group as it tries to establish legitimacy and control in the larger arena. One problem is that of finding or constructing a body of supporters. Such a clientele may range from a small tightly knit body to a large and amorphous mass following. Another and closely related problem concerns the kinds of tactical alliances, if any, that are sought in the struggle for political victory. Some groups display a marked willingness to enter into tactical alliances at considerable cost to their program and organizational identity, while others try to maintain a position of splendid isolation and doctrinal purity.

[21] This point is argued much more fully and on the basis of a concrete case in my *Terror and Progress USSR*, Cambridge, Mass., 1954.

[22] The most persuasive exposition known to me is Herbert Marcuse, *Reason and Revolution: Hegel and the Rise of Social Theory*, New York, 1941.

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The third and fourth problems occur only when and if power is achieved. Then there is the problem either of sharing it, as in the form of a coalition or the toleration of organized opposition, or of rejecting political partnership. Finally, there is the choice between leaving the existing structure unchanged—as happens, for example, after a palace revolution—and using power to alter or pulverize the old structures, such as social classes and estates, religious bodies, economic corporations, guilds, trade unions, and even kinship structures and the family —all in order to create a new structure.

The way in which these problems are solved depends not only upon the structure of the group that seeks power, but also upon the structure of the society in which the search takes place. In some cases, the disturbance spreads to neighboring societies, and they too become part of the relevant environment of those who pursue power. Here the discussion will be limited to a few concluding observations on the influence of structural differences in the surrounding society upon these four choices.

Let us consider first a stable society, in which most of the population accepts most features of the status quo, and where authority is sufficiently diffused so that there is no readily identifiable and single set of levers of command sufficiently powerful to set the whole society in motion in a given direction. Around the turn of the century, after the first wave of industrialism had passed over it, American society still approximated this model. Then Bryce could write of American public opinion that political light and heat radiated from no single center. Instead, our basic consensus arose primarily out of myriad individual interchanges.[23]

Where these conditions prevail, a group that seeks a substantial share in power must be able to combine a large variety of minor contradictions to create a broad political base. This is the familiar pattern of the democratic political party. A group that has a wide range of severe grievances against the status quo and is organized around a comprehensive program cannot mobilize sufficient support to gain overwhelming power. Instead, there tends to be a large number of pressure groups with individual grievances. These do their best to reward their friends and punish their enemies. But they display little interest in gaining control of the society as a whole. The power-seekers in such a society are pushed toward the choice of creating a large clientele and of making numerous loose tactical alliances. When formally in power, they must share it through the toleration of organized opposition and con-

[23] James Bryce, *The American Commonwealth*, New York, 1910, pp. 325-28.

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fine themselves to moderately reformist programs meeting immediate grievances.

In a stable despotism, too, most of the people accept most features of the status quo. The various empires in India at the apogee of their power may serve as a satisfactory empirical example. Such a situation provides the most favorable background for a palace revolution. Under these conditions, a group that tries to carry out a coup does not require any mass clientele or any tactical alliances that spread deep into the society. All that is necessary is the benevolent neutrality of key elements among the higher elite, particularly the group that controls the instruments of violence. The new rulers can grasp the levers of command, after which life proceeds much as it did before. Instability at the top may not seriously damage the rest of the society for a long time, as the four centuries of the Roman Empire suggest. In such instances, then, the solution of these problems takes the form of minimal clientele and tactical alliances, and the monopoly of power by those who seize it. The rulers must of course be certain of at least the passive acceptance of their supremacy by the key elements in the society—the priesthood, the military, and the heads of major economic units. Should totalitarianism stabilize itself in the course of the twentieth century and lose the *élan* with which it rose to power, this ancient political pattern might reassert itself.

The transformation and decay of a society call for still other solutions. In the modern world, the sources of this transformation may be found partly in the structural difficulties inherent in modern industrialism, some of which were foreseen by Marxists around the turn of the century,[24] and partly in the erosion of traditional values and beliefs by modern secular rationalism. As Western industrialism and rationalism have spread eastward, into Russia and the Orient, they have speeded the decay of ancient social systems. As already noted, such periods of rapid change favor the rise of either nativist or egalitarian movements with comprehensive philosophies or pseudo-philosophies, as they are termed by their opponents. Such movements are likely to develop tightly knit organizations and other totalitarian features.

A totalitarian movement tries to acquire a considerable mass clientele, especially from individuals turned loose upon the world by the destruction of prior social bonds. It is, on the other hand, chary of tactical alliances. It may enter into alliances, but where it does so, it seeks

[24] See particularly Rudolf Hilferding, *Finanzkapital*, Vienna, 1910, Part v, for a penetrating analysis of the factors behind the transition from liberal society to a structure resembling modern totalitarianism.

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to dominate its partners, or else to isolate and destroy them one by one. The notion of mutual gains through mutual compromises is foreign to fanatical movements, though in time such behavior may be forced upon them by the sheer requirements of survival. Soon after it gains power, though not necessarily immediately afterward, the totalitarian movement does its best to pulverize and atomize those segments of society that have maintained some degree of corporate identity. Others it seeks to control by penetration both before and after the seizure of power. In so doing a totalitarian regime is aided by the process of atomization and the destruction of the traditional order that precedes its rise to power. Along with these destructive processes, a totalitarian movement seeks to create new institutions and new levers of command that will give it something approaching its ultimate goal of total control of all social activities.

IV

The preceding pages are not and do not purport to be a complete theory of power, even in sketchy outline form. They have stressed the acquisition of power and mentioned the growth of checks on power-holders only incidentally. Any adequate theory of power would have to take as much account of the latter as of the former, as well as of many other elements that I have altogether failed to discuss. Yet, by way of conclusion, the suggestion may be offered that there are at least four discernible processes of acquiring power that take their essential pattern from the way in which the process begins. The totalitarian one, in either its nativist or egalitarian forms, is perhaps the easiest to recognize. Its source lies in shock to a social system or the more gradual decay of existing institutions, and the rise of new demands on these institutions. Its charter myth soon develops a stress on hierarchy. Subsequently it develops its own characteristic internal structure and way of coping with the external social environment. Monarchical absolutism, the second pattern, may begin under conditions of greater fragmentation than totalitarianism. It advances more slowly and is perhaps more the consequence of individual ambition than deeper social causes. Despite some of the pretensions of its charter myth, it is strongly conservative and unable to free itself from dependence on strongly established vested interests. Though its internal structure may contain some elements prominent in totalitarianism, such as espionage within its hierarchical instruments, the element of rational bureaucracy, with its allocation of rights and duties to specific stations according to universal norms, is perhaps more important. Reluctant to share power with other

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groups in the society, it must necessarily do so. As a third pattern, the rise of new activities, for which I will refrain from coining any special term, can be expected to produce a charter myth with a strong emphasis on hierarchy if these activities are ones that go counter to long-established human wants. If, on the contrary, these activities are ones that a substantial number of people wish to pursue, the charter myth may take an egalitarian form or even deny the relevance of authority. For example, early industrialism in England was accompanied by the development of classical economic theory with its stress on the "invisible hand." Finally, feudalism appears to be a transition form that may emerge out of the decay of a more centralized regime or, perhaps less frequently, out of a highly fragmented polity that has never known centralization. Its charter myth places a high emphasis on loyalty to a person instead of to an office, which in turn limits the forms of subsequent growth. Though each of the four types may go through its own distinctive process of growth, there does not appear to be any inevitable sequence of stages in which one type, such as monarchical absolutism or feudalism, necessarily precedes or follows other types. Nor is it likely that any single pattern occurs in an absolutely pure form. Instead, if these formulations are adequate, one may expect to find in studying the history of any power-seeking movement an emphasis upon one of these patterns, combined with a subordinate utilization of others.

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THE HISTORICAL ROLE OF MARXISM AND THE SOVIET SYSTEM

By ADAM B. ULAM

NO analyst of Soviet Communism has failed to express surprise that a Marxist movement should have triumphed in a prevailingly agrarian society. Equally trite has been the observation that the Russian Marxists have not been able to solve the problem of the peasant and his full integration into their socialist system. Marx was a city boy, we are told, and that is why Nikita Khrushchev, the First Secretary of the Communist Party of the Soviet Union, has to spend his time discussing the failure of Soviet agriculture to keep up with the industrial sector of the economy. We are left with a truly confusing picture. Marxism, on its own premises designed as a movement for fully industrialized societies, comes to power or is a serious contender for power in societies that are mainly agrarian, while mature industrial countries adhere perversely to something (but something that is definitely non-Marxist) variously described as "the social welfare state," "liberal capitalism," and the like. Perhaps Marx was wrong and—for reasons unforeseen by him—his system is peculiarly suitable to what we now term "backward" countries, with predominantly agrarian economies and a low standard of living. Then why cannot Marxism solve its central problem of the agrarian economy? Or is it perhaps merely one form of Marxism—Soviet Communism—which is thus incapacitated? No wonder that scholars, first secretaries, and the rest of us tend to become confused.

Let us explore one further possibility. The answer may lie in a paradox: it is the peasant, in the Eastern European sense of the word (which may be similar to the Asian or African one), i.e., untransformed into the farmer or the agricultural worker, who makes Marxism relevant as a social force. No peasant—no Marxism. The latter may still exist as a sect or an imposed system of values, but it has no relevance to the social problem. Behind the paradox lies an involved story which has as its major components the Industrial Revolution, anarchism, and Karl Marx.

I

Our textbooks agree that sometime between 1750 and 1850 a major economic and social transformation took place in Western Europe.

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Favored, especially in England, by the political and intellectual climate of the period and by the advances of science, industry and commerce triumphed over agriculture. The Industrial Revolution, we are further told, involved considerable social and economic dislocation and consequent human unhappiness, but in the end it demonstrated both its inevitability and its superiority as a producer of wealth. Industrialism has become the dominant economic force of modern times. Its meaning is quite simple: an industrialized society has a large number of factories, an extensive network of railways and roads, a well-developed banking system. By the same token, a "backward" country—say, Germany of 1860, Russia of 1880, or China of 1950—in order to industrialize, has to build roads, factories, etc. The technique is well known and the main prerequisites and conditioning factors are capital and natural resources.

But the task of industrialization does not lie exclusively or even mainly in material achievement. A society must be ready to accept it. And, having accepted it, the society must develop a technique for absorbing the shock of new habits of action and thought and new economic forces. In 1857, soldiers of the Bengal army refused to use newly issued cartridges that were reputedly greased with cow's fat and thereby precipitated the Indian Mutiny. Only a few years ago, the attempt of the government of the Gold Coast to arrest a plant disease by forcing the peasants to extirpate diseased cocoa shoots led to riots. Such examples can be multiplied and they are found not only in colonial or backward areas. Opposition to vaccination and rioting because of the introduction of a new calendar have occurred in quite civilized communities. We cannot simply dismiss such incidents as manifestations of backwardness or religious superstition. They are an overly dramatic and violent expression of the usually more passive hostility with which a non-industrial society encounters the preliminaries of industrialism: government regulation and science. Progress and education may ride roughshod over uncivilized protests, but instead of disappearing, the shock of industrialization will become greater even though the reaction to it becomes more indirect and subtle.

The Tsarist bureaucrat who opposed railways because they enabled people to travel and acquire disturbing ideas, and his fictitious colleague who wanted to "undiscover" America, are well-known figures in official Soviet humor, which is unaware that a paraphrase of the joke might well be applied to the contemporary Soviet bureaucrat. But the attitude expresses the hopeless wisdom of conservatism: nothing can ever be the same after industrialism has transformed the face of the

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country and after the people have heard about strange lands with still stranger political and social institutions. We know what the statesmen and theorists thought about the great change: English liberalism adapted itself to the industrial age; the Saint-Simonians built their fantastic, but in many ways prophetic, dreams; Herzen did not like what he saw of the not yet industrialized but already materialistically minded West, etc. What we know less well are the feelings and reactions of the main figure of the industrialization process: the peasant or small craftsman transformed into a worker and thrown into the vortex of the Industrial Revolution. It is assumed that he loses his peasant associations (although we know that in Russia, for a long time at least, the dividing line was not very clear) and his peasant outlook, and that in the second and third generation he becomes a bona fide proletarian.

Yet the transformation has not always been so simple or abrupt. For one thing, at various periods up through the Nep in the 1920's, the Russian peasant often oscillated between the factory and his village rather than definitely becoming a proletarian. For another, any peasant who became a part of urban civilization was not immediately remade into another class personality. Certainly, the values and reactions of the peasant community were not entirely lost; they became a part, and an important part, of the fund of influences which was to shape the outlook of the class being created by the Industrial Revolution. It is a bold man who would attempt to define the precise character of the social inheritance left by an agrarian society to its industrial successor, and bolder still who would try to define the elements of similarity in an English tenant farmer of the eighteenth century, the French peasant who received land during the French Revolution, and the freshly emancipated Russian peasant still confined in the mir. Leaving the task to an economic historian, we may assert that some similarities are visible even to a non-scientific social scientist.

In a pre-industrial age, an agrarian community is built around the problem of land. Land is property, however much the latter concept may be attenuated by the tenant, serf, or member of a commune relationship. The status that the peasant acquires from the mode and quantity of his property is much more important than any other aspect of his personality. In his daily activities, he does not encounter the institution known as the state. He does encounter authority, which, when it does not emanate from the peasant community itself, emanates from a different kind of social being called the justice of the peace,

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the landowner, or the district officer. The essence of the authority insofar as the peasant is concerned consists in the unbridgeable gap between the ruler and the ruled, and, insofar as the societies in which we are particularly interested are concerned, in the entirely different economic and social status of the ruler, who often combines a proprietary relationship with the peasant with a direct administrative function. The authority is then, by definition, an imposed one, yet *ideally* it is both distant and external and should not interfere with the personal world of the peasant: his religion, his family, and his own "property" and economic function. Since nothing is ideal, there are moments of stress and even rebellion, occasioned by unduly harsh exactions on the part of the authority, by economic distress, or by national and religious grievances. But, statistically speaking, a peasant pre-industrial society will give a deceptive picture of placidity and harmony, for the natural radicalism of the peasant, the product of his economic and legal helplessness, is held in check by his natural conservatism: his attachment to a way of life based on the element of property in his status. "Natural" is the key word, for even before the first factory is built in a given country, the workings of industrialism hundreds or thousands of miles away introduce "unnatural" economic and social forces, disturbing what the conservatives considered bucolic agrarian society and what Marx called the "idiocy of rural life."

The next step is more fundamental—industrialism hits with full and direct force. In some countries, the way is prepared by the existence of a well-developed commercial middle class, and by a rural economy already enmeshed with a quasi-capitalist mode of production. Elsewhere, it may start under more primitive social conditions. Everywhere, its influence is a disturbing one. Repercussions of industrialism reach every sphere of social life. Its major symptom is enormously increased labor migration, both seasonal and permanent in its character. As to labor migration and its connection with industrialism, a British historian has written rather complacently: "It is hard for one born in a mature industrial region, inhabited by a *race of patient and disciplined factory workers*, to realize the difficulties involved in the deliberate formation of a factory community, even where industrial habits and traditions are already well established among the local population. *In the course of a generation or two* it becomes quite 'natural' for people to work together by hundreds in hot, humid, barrack-like buildings for a fixed number of hours each day, regulating their exertions constantly by the movement of tremendously powerful machinery.

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After a great war, or any other prolonged dislocation of industry, there may be some temporary restlessness among the 'hands'; but the routine soon re-establishes itself as part of the ordinary discipline of life."[1] The language is blissfully Victorian for a book published in the year of the General Strike, but at least the statement indicates that for "a generation or two" a displaced peasant or craftsman will not fit easily into the discipline of a factory. It is the manner and consequences of his "fitting" which are the subject of this paper.

Labor migration produced complete confusion in the values of the peasant, who before the onset of intensive industrialization had already been beset by the mysterious economic and social forces which had invaded his village. Materially, he might gain by becoming a worker; certainly the landless pauper would. But even so, in most cases, he would consider himself *déclassé*. In addition, the new world of factories and towns was full of phenomena which clashed directly with his peasant or craftsman instincts: ". . . the absorption of the displaced workers into other occupations seemed to contemporary observers to be protracted by a prejudice against mill life. It was said that the weavers were willing to starve rather than submit to factory discipline."[2] Yet obviously they would not starve, at least not in the literal sense of the word; they would accept some employment. The worker found himself without the few points of stability of his previous existence.

The discipline and monotony of factory life replace what the sociologists now call the "sense of belonging" inherent in a peasant community. Authority that previously was simply structured and comprehensible now becomes a confusing tangle of parish and town regulations, parliamentary statutes, and the authority of the factory owner and the constable. Its scope and immediacy are now much greater, for even "unregulated industrialism" reposes on a mass of regulations, whether they are internal factory regulations or city and state laws. Human nature would not be human nature if a low standard of living, combined with a bewildering loss of values, did not lead to resentment. The sum of human resentments of an industrializing society is directed, first of all, against the symbol of change, the machine which enslaves people, the owner of the factory, and the new confusing social order in which the state evidently supports the industrialists and landowners. Is it possible that these resentments will disappear without a trace in the "course of one or two generations"?

[1] Arthur Redford, *Labour Migration in England, 1800-50*, Manchester, 1926, p. 18 (italics added).
[2] *Ibid.*, p. 35.

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II

It is a part of the argument of this paper that certain generalizations may be made about industrialization and the reaction to it which are valid not only for the Industrial Revolution of 1800-1850 in Western Europe, but for any society at any time. But the Industrial Revolution, being the first of its kind, offers us the best opportunity to study the reaction to industrialism in its most extensive form (but not the most typical, since industrialism often comes to societies much less well prepared for it). Unfortunately, even here the picture of the impact of industrialism is like the proverbial iceberg: a small part of it visible in the form of theories, statistics, and political and social movements, but the greater part of it, the feelings and thoughts of the people affected by the process of industrialization, submerged. We are forced to speculate about the latter from an analysis of the former. And one of the first and most striking things about industrialism is the volume and intensity of protest that it evokes. Nobody, for example, liked the situation in the industrial England of 1850. The landowner saw his political power diminishing; the esthete—or any sensitive person—detested the squalor and injustice of industrial life; the worker began to define his grievances as exploitation and the denial of political rights. And even the liberal capitalist or entrepreneur began to suspect that behind laissez-faire lurked the civil servant and factory inspector. The second and even more striking thing is that the process continues in a way entirely satisfactory to nobody. We may forgive the economic determinist for being impressed by the fact.

Obviously, society had to find a way of adjusting itself to the facts of industrialism. Industrialism could not have gone on if the upper classes had clung to the ideas of Lord Eldon, if the worker had remained possessed by the instinct which made him engage in the Luddite riots, or if Adam Smith's notions—devised for a commercial rather than an industrial age—had continued to be the sole ideology of the middle class. Part of the adaptation came in the form of liberalism, as it emerged from the writings of Bentham, Ricardo, James Mill, and others, and the speeches of Bright and Cobden. It became the ruling philosophy in England and a powerful philosophy in France, the Low Countries, and elsewhere. Liberalism in England was strong enough to destroy the old type of conservatism and to convert a part of the working class, but essentially it remained the way of adaptation of the middle class. For the worker, the problem of adaptation became, first of all, the problem of self-defense. The first trade unions were

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designed to meet the most primitive "social security" needs of the worker, and to reassure him through their ceremonial and associations that he had a place in society. From what has been said, we would expect, however, that the reaction of the workers would reflect in some way their own physical transition from one type of society to another, from peasantry and related occupations to the proletariat. Hence we must look in the early labor movements and in the work of the early theorists of social protest for signs of this transition.

The movement which fulfills our requirements is anarchism. The definition of "anarchism" used here is very broad, so broad that it will be objected that a majority of the early socialist movements are arbitrarily tossed into the anarcho-syndicalist camp. But we are principally concerned with anarchism as a feeling underlying the various forms of social protest during the Industrial Revolution. As such, its characteristics are easily discernible. First, opposition to centralized political authority—in essence, to the state—and a predisposition in favor of small communities, with the coercive, regulating element of political power reduced to a minimum or, still more fantastic, entirely abolished. Second, an incomprehension of, or outright hostility to, industrialism as a way of living. Division of labor, the barest prerequisite of any modern—not to say, highly industrialized—society, is itself questioned or admitted only as a temporary evil. Anarchism regarded industrialism as something nasty and antisocial, even when it coped with the problem of assimilating it in its theory: the factory, the money system, and its other paraphernalia strip the individual of his social and moral instincts. Thirdly, when introduced into the immediate context of industrial life, anarchism flares up with the genuine flame of class feeling—syndicalism. It preaches a relentless class war which will not allow any partial concessions, and it advocates a variety of devices, from sabotage to the strike, whose systematic and widespread use would bring the industrial life of any country to an end.

The above description may seem confusing if anarchism is thought of as a kind of socialism which dislikes the state and advocates violence, or as something peculiar to the labor movements of the Latin countries. But even if we disagree on a definition of the term, it must be evident that the emotions and principles described above characterized with varying intensity the thought of people like Fourier, Proudhon, Herzen, Hodgskin, and Bakunin, to name a few, and, more important, that they infused much of the ideology and activity of working-class organizations of nineteenth-century Europe. Anarchism, in the sense

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in which the term is used here, is the legacy of an agrarian society to its industrial successor. It embodies the clash of peasant values with the reality of industrial life. Just as to the conservative industrialism represents the loss of social stability and old values, so to the peasant-worker it demonstrates and accentuates the latent class struggle of the countryside and endows it with political significance.

It is hardly to be expected that anarchism can become a dominant political force on its own. The ideas of Fourier or even Proudhon, when spelled out, cannot form the basis of the social organization of a modern society. Anarchist feeling is too formless, too divorced from the dynamic of economic development, to create objective conditions and organizations capable of absorbing the economic facts of life. Even such practical offshoots of anarchist feeling as the trade unions and cooperative producers' societies become meaningful and functioning economic institutions only after they have lost their peasant and craftsman roots and are impregnated with the values of industrial society. Otherwise, the culmination of anarchism is the moralistic dream of a Kropotkin or the mystique of proletarian violence and of the General Strike.

Nonetheless, anarchism is a crucial phenomenon of the industrial age. It is both a symptom and a cause of the imperfect adjustment of society to its developing economic structure. Should anarchism be widespread, it will punctuate society's industrialization process with a series of political and social upheavals. And so long as it remains in the interstices of the social system, a given country will not fully acquire the ethos of industrialism and the accompanying social and political conditions.

There is no mystery as to what this ethos is. It is the acceptance of the state and the machine. Or, to be vulgar rather than Hegelian, it postulates the citizen who sees the painful necessity of paying taxes and whose social perspectives are determined more by the quantity of goods and services he can command than by those related but more intangible categories called "property," "class," and the "sense of belonging." Just as in its progress industrialism has to wrestle with this peasant-originated disease of anarchism, so it develops its own antibodies: the dynamics of material improvement, democratic institutions, and social reforms. In a few countries, its pace is so swift that anarchism withers away, leaving behind such distant and unrecognizable descendants as trade unionism and cooperatives. The peasant has been transformed into the farmer; the worker has undergone *embourgeoisement*. Elsewhere, the story is more complicated.

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III

The classical statement of anarchist feelings is found in, of all places, the *Communist Manifesto*: "The bourgeoisie, historically, has played a most revolutionary part. . . . It has pitilessly torn asunder the motley feudal ties that bound man to his 'natural superiors,' and has left no other nexus between man and man than naked self-interest, than callous 'cash payment.' "[3] "The bourgeoisie has stripped of its halo every occupation hitherto honoured."[4] It "has subjected the country to the rule of the towns."[5]

It is clear that the sense of the above remarks is made more "Marxist" if for the word "bourgeoisie" we substitute "industrialism" or the "Industrial Revolution." But the latter is also denounced more directly: "Owing to the extensive use of machinery and to division of labour, the work of the proletarians has lost all individual character, and, consequently, all charm for the workman. . . . Modern industry has converted the little workshop of the patriarchal master into the great factory of the industrial capitalist. Masses of labourers, crowded into the factory, are organized like soldiers. . . . Not only are they slaves of the bourgeois class, and of the bourgeois state; they are daily and hourly enslaved by the machine, by the overlooker, and, above all, by the individual bourgeois manufacturer himself. The more openly this despotism proclaims gain to be its end and aim, the more petty, the more hateful and the more embittering it is."[6]

It is superfluous to underline the essentially anarchist character of the protest. The main enemy is the machine which enslaves man to the monotony of division of labor and creates the oppression of the centralized state. The bourgeoisie, with its hateful and mean ideology of gain (read "liberalism"), is the class enemy whom the proletariat must overcome, for it is the bourgeoisie which, through industrialism, has destroyed private property and therefore the status of the vast majority of the population.[7] Class war, violence, and revolution are the only choice for the statusless proletarian whom the Industrial Revolution has stripped of his country and family.

While the anarchist character of the premises of the *Manifesto* has not been widely noticed (many commentators have been misled by the violence of Marx's attacks on the anarchist-socialists, whom he classifies as bourgeois and utopian socialists), it is usually recognized that the ultimate aim of Marx is anarchism pure and simple. The state withers

[3] *A Handbook of Marxism*, Emile Burns, ed., London, 1936, p. 25.
[4] *Ibid.*, p. 26.
[5] *Ibid.*, p. 27.
[6] *Ibid.*, pp. 30-31.
[7] *Ibid.*, pp. 38-41.

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away. With it disappear the classes and the division of labor. Here, then, is the "mutualist" and egalitarian heaven on earth already anticipated by Proudhon and Fourier.

If Marxism were only anarchism, it would be lost amidst a multitude of socialist and anarchist movements expressing bitterness and bewilderment at the coming of the Industrial Revolution. If Marxism did not have a strong anarchist element in its make-up, it would have no attraction for the workers in a society undergoing industrialization. It is submitted that the revolutionary appeal of both Hegelianism and Ricardian economics is rather limited. The Marxist system receives its historical significance from its ability to combine anarchism—the most violent protest against industrialism—with an intense cult of technology and a conviction of the historical necessity and blessings of industrialism. The bourgeoisie ". . . has been the first to show what man's activity can bring about. It has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals. . . . The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilisation."[8] Again, the meaning is sharply defined if we substitute "industrialism" for "bourgeoisie," and the tribute to the revolution is as violent as the execrations against it: "Subjection of nature's forces to man . . . what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour?"[9]

In their youthful work, free of the theoretical vagaries and philosophical murkiness of the later treatises, Marx and Engels displayed incisively the most important, the most operative, aspect of Marxism: it is a technique of adjustment to the facts of industrialism. It expresses all the grievances of the Industrial Revolution and it shows that industrialism is necessary and must be submitted to. And not only from the aspect of the machine; another abomination—the state—will inevitably become stronger and more centralized before it gives way to the anarchist dream. In the meantime, switching from the role of anarchist to that of the social planner, Marx sees his socialist state adding function upon function to its powers: the state is to monopolize banking, transport, and industry. The state (and in the greedy listing of its functions it is almost forgotten that the proletariat is now the state) is to create real industrial armies—especially, Marx says, with a curious presentiment, armies of agricultural workers.

[8] *Ibid.*, pp. 26, 27. [9] *Ibid.*, p. 28.

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We must now turn to the struggle between anarchism and Marxism which occupied roughly the last thirty years of the nineteenth century. The struggle had been foreshadowed by the clash within the First International between Marx and Bakunin. It is interesting to see how the conflict is interpreted by a contemporary British socialist, who at one point was a Guild Socialist—the closest British socialism ever got to syndicalism: "For Marx, the significant aspect of the contemporary class struggle was the developing consciousness and organization of the industrial workers, and particularly of those who were subject to the conditions of advanced large-scale capitalism. Bakunin, on the other hand, thought of the revolution much more in terms of the instinctive revolt of the most oppressed and downtrodden groups in society—the peasants in the relatively backward areas and the lumpen-proletariat of such cities as Naples, in which industrialism had hardly taken root at all."[10] Yet, whatever Marx and Bakunin thought, the fact remains that on the battleground seemingly most favorable to anarchism—peasant societies undergoing industrialization, such as France, Italy, and Russia—Marxism managed to fight on equal terms and to prevail as the more important working-class and revolutionary movement, even before the rise of the Soviet Union. Anarchism emerged with the doubtful prize of Spain—the least industrialized among the great European countries. In Germany, there was no contest. In the most industrialized countries of the West, England and the United States, where Marxism should have been the strongest, it fizzled out and anarchism did not compete.

Now, there are undoubtedly several reasons for any particular configuration of social forces and events. Here we are suggesting one of the most obvious: in a peasant society undergoing industrialization, Marxism offers everything in the way of social protest that anarchism does, and more. By embracing it, one does not swim against the current of social development, but with it. In addition, the very anti-authoritarian premise of anarchism renders it organizationally inept, while Marxism, as Lenin was to see, tends to embody the discipline of the factory into its own party structure. By the same token, there is nothing mysterious about the failure of Marxism in a highly industrialized country where the methods and values of industrialism have been assimilated, and where there are no peasants but farmers. It is not the natural moderation of the British and American worker which should be blamed or praised for the failure of Marx in their respective countries. It is simply that both the protest of Marxism—i.e., its an-

[10] G. D. H. Cole, *Marxism and Anarchism, 1850-1890*, London, 1954, p. 230.

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archism—and its lesson—i.e., the necessity for industrial and state organization—are largely unnecessary and irrelevant under the conditions of American or British society, whether in prosperity or in depression. When they come to those societies, class feeling and socialism take the form of laborism: economic action to secure a larger proportion of the national income to the working class, and political action to ensure economic planning and direction by the state. Both industrialism and the centralized state are implicit in the very postulates of laboristic socialism. In their old age, both Marx and Engels were worried by a specter: the rise and tendencies of trade unionism. Their worries were justified.

Marxism, then, has had little success in becoming the leading revolutionary or working-class philosophy in either the least or the most industrially developed states. It remains to be added that from the point of view of this discussion Denmark or New Zealand, for example, are "highly industrialized" states, because by industrialization we mean social and cultural adjustment. It is admittedly an oversimplification to treat Marxism as a symptom of and a technique for the adjustment of a peasant society undergoing the pains of industrialization, but an oversimplification is not always without its lesson.

Both the value and the limitations of this method are evident when we take up the case of Germany. The Germany from which Marx and Engels emerged was an agrarian society barely experiencing the first impact of industrial ideas. Social development in Germany in the nineteenth century cannot be understood if we omit the problem of nationalism and the social and political role played by various religious movements. Yet, even in Germany, the role of Marxism as the assimilator of industrialism is of great importance. Perhaps we shall understand more about German Social Democracy by looking at it in that light than by having recourse to the worn-out categories of evolutionary and revolutionary socialism.

One is struck, first of all, by the fact that Germany's phenomenal industrial growth between 1871 and 1914 was paralleled by an equally rapid and far-reaching growth of the influence and organization of the Social Democratic Party. Just before World War I, it was the most influential, in terms of votes, of any single political party in the state. It was Marxist, and it enjoyed, to all appearances, the allegiance of the German working class. So far so good: the picture corresponds to the Marxist self-appraisal—a mature industrial society will have a powerful Marxist movement. But, on second thought, the Marxist character of the German Socialist Party becomes a bit suspicious. Its phraseology

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was Marxist and revolutionary. Between 1891 and 1914, it served as a shining beacon to Marxists all over the world. Yet, in the same period, the German Marxists were incapable of controlling a single important political development in Germany. The successes of German Marxism were of an indirect nature—they constituted the adoption of rudimentary social security *by the state*—and, if our thesis is correct, the very existence and influence of Marxism in Germany were reflected in the successful pace of Germany's industrialization. But, by itself, the revolutionary, powerful German Socialist Party accomplished nothing, and when the Empire embarked on a war, the party meekly followed, thus presaging the capitulation of German labor to Hitler. It is easy to blame everything on Hegel. Here it is possible only to offer a hypothesis. Perhaps by about 1900 the historical mission of Marxism —guidance of the working class to industrialism—had been accomplished insofar as Germany was concerned. The natural evolution of German socialism lay in the direction of laborism, which under German conditions included the struggle for parliamentarianism. That is what Bernstein's revisionism was about. The German Social Democrats rejected revisionism and the party continued to scare the middle class—which now included the peasant—by its revolutionary ideology, while the unrevolutionary reality of the German working class belied the revolutionary program. German liberalism and German socialism thus checkmated each other.

IV

Among other unfortunate consequences, the rise of the Soviet Union has had the effect of confusing the character, role, and influence of Marxism in today's world. The reasons for this confusion are manifold, but perhaps we can throw some light on it by discussing the role of Marxism in the foundation and growth of the Soviet Union. We are returning to the paradox which opened this paper.

There are a variety of interpretations of this problem. To list some of them briefly: (1) The Soviet Union has reached the stage of (Marxian) socialism (Stalin's interpretation). (2) There has not been any true Marxism in Russia since January 1918 (that of an "orthodox" Social Democrat). (3) There *is* Marxism in the Soviet Union, but something has gone wrong with it since about 1925-1926 (various shades of the Trotskyites). (4) What has Marxism got to do with the Soviet Union? It is all a struggle for power (some American commentators). (5) Now that Stalin is dead, the mist of totalitarianism

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may be lifted from Soviet society, and Marxism in its rationalistic and democratic reality may well be fulfilled (some other commentators, including Mr. Deutscher in his *Russia: What Next?*).

It is not unfair to say that several of these attitudes are based on the conviction that an ideology is something you look up in a book in order to determine what your policies should be. Thus Marxism has several democratic passages in its literature. Since there is very little that is democratic about the Soviet Union, Marxism can have no relevance to the politics or social development of the country: therefore, it is all propaganda. Or, an ideology is relevant only if it is applied under the exact conditions of its formulation, and "The Marxian ideas of the proletarian revolution, the proletarian dictatorship, and the character of a socialist economy were working hypotheses *designed to fit a highly industrialized, civilized, and organized capitalist society with a very strongly developed industrial working class.*"[11] Yet, by the same token, what were the ideas of liberalism, designed to fit an enlightened middle-class society, doing in the still largely agrarian England of the first half of the nineteenth century? An ideology is not only a political and economic blueprint.

Marxism emerged in Russia toward the end of the nineteenth century because Russia was one of the few societies in which its message was most relevant. Russia was being rapidly precipitated into industrialism, while her society was of the type which maximized anarchist reaction to industrialization. Marx was never a worse Marxist than when he admitted that the peasant commune—the mir—might provide the bridge over which Russia would pass to socialism, avoiding the stage of capitalism. On this count, not only Lenin and Stalin but also Stolypin showed themselves to be better Marxists. The mir was the fortress of pre- and anti-industrial mentality and organization. The first impact of industrialism, though it seemingly did not touch the life of the vast peasant masses, made the mir the fountainhead of Russian anarchism, with which both capitalism and Marxism had to struggle. Russia, therefore, was the place where there was *par excellence* an opportunity for a Marxist party which would absorb the elements of protest of anarchism and yet develop a technique for disciplining it. Political repression and other social factors of Tsarist Russia did not allow Marxism to exercise its educational role of training the worker in industrialism. Hence the Communist *coup d'état* of November 1917 (although it was hardly a "state" that was seized at that time) was essentially an anarchist revolution. Achievement of the other

[11] Isaac Deutscher, *Russia: What Next?*, New York, 1953, p. 19 (italics added).

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part of Marxism—the full industrial revolution—was to take more than twenty years, and in one vital respect this revolution is still not completed.

History does not always award prizes for the correct understanding of historical forces. The success of Marxism as a political movement was based on a series of fortuitous developments, and Bolshevism in particular has been very lucky. But there is an element of superior skill and superior theory in the success of Lenin and his party. It is not exactly a matter of what he said or wanted, for every practicing politician has to have a wide range of promises and postulates. The greatness of Lenin lay in his stateman's gift of perceiving both the theoretical and the practical aspects of every problem. No discussion of theory takes place in a vacuum; every theoretical solution must be applied from an organizational point of view. Insofar as Russia was concerned, Lenin was the only Russian Marxist who broke through Marxian phraseology to the concrete use of Marxism for Russia. While proclaiming and believing himself to be an orthodox Marxist, he saw clearly that Marxism was *about* industrialism and anarchism, and that it was more important to see what it was *about* than what it was for. Thus Marx postulated that as industrialization progresses, the proletariat acquires "gradually and spontaneously" class consciousness and a hostility to capitalism. Using Kautsky, Lenin attempts to show that Marx did not actually mean this. His own view is really revolutionary, insofar as orthodox Marxism is concerned, but, in 1902, already realistic: "The history of all countries shows that the working class, exclusively by its own effort, is able to develop only trade-union consciousness, *i.e.*, it may itself realise the necessity for combining in unions, to fight against the employers and to strive to compel the government to pass necessary labour legislation, etc."[12] The natural tendency of labor movements in many countries is to develop what we call the philosophy of laborism. And Lenin drives this point home again and again. "The economic struggle is the collective struggle of the workers against their employers for better terms *in the sale of their labour power*, for better conditions of life and labour."[13] But Lenin also sees that industrialism sometimes receives an anarchist or syndicalist response as well as the laboristic one. Along with the Economists, or those Russian socialists who would dilute the political in the economic struggle, he arraigns the "terrorists," who are the contemporary Social Revolutionaries, the representatives of anarchism on Russian soil: "The Economists and modern terrorists spring

[12] V. I. Lenin, *What Is To Be Done?*, New York, 1929, pp. 32-33.
[13] *Ibid.*, p. 60.

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from a common root, namely, *subservience to spontaneity*. . . . The Economists bow to the spontaneity of the 'pure and simple' labour movement, while the terrorists bow to the spontaneity of the passionate indignation of the intellectuals. . . ."[14]

The paradox of industrial development leading the masses away from rather than toward true socialism was perceived by Lenin as early as 1901-1902. What, then, was the solution for Russia? To create a "substitute" proletariat, a party of professional revolutionaries. The worker would still be its mainstay, for the discipline and habits of factory life make him a good revolutionary soldier when he is enlightened "from outside," but the organization of the party and the flexibility of its program would cause it to resemble an anarchist conspiracy. Bolshevism, then, is an ingenious attempt to preserve the revolutionary cake and eat it, too: to swim with the natural revolutionary forces in Russian society—with the liberal protest against despotism, with anarchy, the workers' attacks against the economic structure, and the minorities' revolt against russification—and at the same time to preserve an ideology openly antagonistic to many of these aspirations. The success of the Bolsheviks had to depend on the assumption that the liberal and the anarchist protests would not become muted, i.e., that Russia would not speedily become an industrialized and/or parliamentary society in the Western sense of the word. The fulfillment *before 1914* of the program for which the Bolsheviks had been fighting would have left them with one of the following alternatives: either to become a small doctrinaire sect like, say, the Trotskyites today, or to become a socialist party of the Western type with its Marxism submerged in laborism.

History was decidedly working for the Bolsheviks. There were two major attempts in the early twentieth century to industrialize and therefore to westernize Russia. One was the introduction of rudimentary constitutional institutions after 1905, and the other—in a way, more important—was Stolypin's reforms. Under them, Russia, where industry was growing rapidly, would also become industrialized in spirit. The "separators," the future kulaks, would eventually grow into farmers, while a large part of the superfluous rural population would go into industry. The mir—the real focus of anti-industrialism and hence of revolutionary feeling—would wither away. But the war intervened and the first important consequences of March 1917 were not the dethronement of the Romanovs, but the destruction of parliamentarianism and the

[14] *Ibid.*, p. 73.

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partial liquidation of the "separators," who in 1917 were forced back into the mir.

Of the two Russian revolutions of 1917, the conventional view has held the March overthrow of the monarchy to have been a "moderate democratic" revolution. Sir John Maynard had a better perception of the consequences of March 1917 when he wrote: "In explanation of what happened in rural Russia, let me again emphasize the virtual disappearance—outside of the Mir and the Canton Committee—of all authority. Tolstoi had counselled his countrymen that each should say: 'For me there is no State'. They had taken his advice, and the State had vanished into air, like a castle of dry sand."[15] And not only in rural Russia, but in the cities and the army, the revolution of March 1917 was in effect an anarchical revolution. Few people were killed, and many legal and political institutions seemingly survived. But, in fact, centralized authority disappeared and society became a loose grouping of local authorities calling themselves mirs, Soviets, and the like.

When Lenin in April 1917 exclaimed, "All power to the Soviets!", he was expressing something which was only partly an aspiration and largely a statement of fact. By deepening the anarchist character of the revolution, the Bolsheviks had the best chance of achieving power. Once there, the necessary task of counterrevolution, re-establishing authority, would have to be begun.

The history of the first twelve years of the Soviet regime is the history of the interplay of the two contradictory elements of Marxism: the revolutionary, anarchism, and the centralizing, industrialization. The Bolsheviks had been carried to power by a wave of anarchic revolutionary feeling which spread throughout Russia both consciously, in the form of a variety of political movements, and unconsciously, in the general feeling of the country. Their first steps had to manifest a degree of submission to this feeling. It would be too much to suggest that they were hypocritical in their actions. On the contrary, they believed at first that their own revolution was but a prelude to a general European revolution. Hence their acquiescence to the purely revolutionary aspects of their program and of Marxism, which at the same time were tactically unavoidable: complete nationalization of industry, which Lenin, looking further than his colleagues, could not have liked, and the grant, however theoretical, of the right of self-determination to the non-Russian nationalities of the Empire and of "land to the peasants." Yet, if concessions were made to what in the broadest sense

[15] Sir John Maynard, *The Russian Peasant and Other Studies*, London, 1942, p. 67.

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of the term is, and at times was, actually anarchy, the opposite principle was simultaneously asserting itself. The state—centralized authority—was being reborn in the Central Committee of the Communist Party. The army and the Cheka were the first typical agencies of the state and of a movement which, because it extols anarchy and liberty to such a degree, has need of so much in the way of discipline and centralization. While in his poetry Blok was praising the mystique of anarchism and rebellion against Western civilization, other poets were already extolling the machine.

The civil war over, the Bolsheviks could settle down to the task of constructing a Marxist society. Its essential characteristics begin to emerge even in the midst of revolutionary fervor and mysticism. If in 1917 Lenin could say, "All power to the Soviets!", in 1920 and 1921 he said in effect, "No power to the Soviets!" That anarchism and, consequently, revolution were dying in the Soviet Union was dimly perceived by the instigators of the Kronstadt rebellion, with their plea for "Soviets without the Bolsheviks." If Kamenev, Zinoviev, and Rykov had thought in 1917 and 1918 that it was improper for Marxists to carry out a *coup d'état* or to rule without the other revolutionary parties, by 1921 they learned that Marxism at this stage was neither anarchism nor democracy. Those who did not, the Workers' Opposition, were chastised or expelled or sent into political exile. The voice of the Workers' Opposition, although it came from the workers and intellectuals, was the genuine voice of peasant Russia. It pleaded for egalitarianism, decentralization, and local autonomy. To Trotsky, who of all the Bolsheviks saw most clearly the other side of Marxism, the syndicalist postulates were to be met by centralization, the grant of full power to the state, and absorption of the unions. That he was premature in pleading for these actions there can be no doubt. It took a dictatorially united party, supported by an organized machinery of terror, to disarm the peasant and to destroy the unions in 1929-1930, and even then the struggle almost wrecked the state. In 1921, the party could not have won a full-scale war against anarchism and at the same time started Russia on the way to industrialization. In order to achieve what Trotsky wanted, Lenin had to compromise on the issue of unions. But, ironically enough, the struggle had demonstrated the prevalence of revolutionary and anarchist feelings in the party itself, and how could it be otherwise? So Lenin had to sanction the building of a bureaucratic network within the party, and he had in Stalin a man ideally suited for the task.

How a revolutionary party was transformed into a bureaucratized

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party, and how Stalin successively eliminated his rivals—Trotsky, Zinoviev, Bukharin, and others—while ascending to full dictatorial power, has often been told. But the struggle for power took place in a Russia where Marxism was the official ideology but the Nep was the economic reality. The second installment of Marxism was to come, and how could it do so with the peasant barring the way to socialism? To a casual reader of post-World War I Russian history, the obsession of the Bolshevik leaders with the peasant, the apathetic mass of peasantry, appears unreasonable, if not morbid. How could Lenin say after the Soviet state had survived the civil war and foreign intervention, "Small-scale production gives birth to capitalism and the bourgeoisie constantly, daily, hourly, with elemental force, and in vast proportions"?[16] Why did the Bolsheviks, in the period under discussion, worry more about the peasant than about "capitalist encirclement"? The answer has already been given. Being Marxists, and we must grant that they were, they were instinctively ill at ease with the peasant. For, quite contrary to Lenin's words, the peasant was *not* a budding capitalist. Under the conditions in Russia in the 1920's, he was an anti-industrial and anti-state force. When the party decided to end the period of retrenchment, the Nep-man—the urban petty capitalist—vanished overnight, but the peasant was placed squarely in the way of Marxism.

There were two ways out of the dilemma, and we are here simplifying, in social and political terms, what was economically much more complicated. One solution was to let nature take its course. The kulak was the budding rural capitalist; let him grow into a full-fledged farmer and become the strongest force in the countryside. The less efficient and enterprising peasant could be pushed into the industrial army. The process which had taken place in the West would be repeated in Russia—a Bolshevik version of Stolypin's reforms. This was the process which the Communist Party appeared to encourage in 1924-1925, when the left opposition was scandalized by Bukharin's alleged advice to the peasants ("Get rich") and by Stalin's acquiescence to the peasants' leasing land and hiring help. The real enemy of the party was the person whom every official speaker presented as the natural ally of the Bolsheviks, the "middle peasant" who would not budge one way or the other, who would become neither a proletarian nor a capitalist.

But perseverance in the solution toward which the majority of party members were probably inclined (and it is on this point that Stalin was most persuasive in destroying Trotsky and Zinoviev) would have had

[16] Merle Fainsod, *How Russia Is Ruled*, Cambridge, Mass., 1953, p. 443.

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a fundamental effect on the character of the Soviet regime; the peasant would become much more of a social and political force. He would in effect determine the pace of Russia's industrialization. And once his *embourgeoisement* had proceeded far enough, would he remain satisfied with economic concessions? The whole framework of totalitarianism built so patiently by Stalin would be endangered.

The alternative solution was adopted in 1927-1928. Both anarchism and the rudimentary capitalism of the countryside were to be done away with. The peasant was to be turned into a worker. Not only the kulaks but the peasants were to be eliminated as a class. "Collectivization" is actually a euphemism for a system which attempts to convert agriculture into a centralized industry. The solution was to be quick and drastic. The Bukharin-Rykov wing of the party, appalled at the actual meaning of "collectivization" and its consequences, protested briefly and ineffectively. But the peasant resisted, and ultimate victory eluded the regime. By the middle 1930's, the Soviet regime had to give up hope that the outright type of grain factory—the state farm—would become a major element of agriculture. Within the collective itself, the individual had become a major element of agriculture; within it, individual peasants were allowed garden plots and a few other items of non-collectivized property. The kolkhozes today incorporate agricultural workers who have not ceased to be peasants. Like their medieval ancestors, they are *glebae adscripti*; they are workers, but they would like to be farmers. In this triple personality of the Soviet peasant lies the main problem of the Communist government.

V

Beginning with 1930, the role of Marxism in Russia has undergone a profound change. Prior to 1917, and in a more limited sense up until the late 1920's, it was like a sponge, absorbing all that was revolutionary and anarchistic in society. The claims for democracy, for land, for freedom and experimentation in morals and art—Marxism-Bolshevism expressed all of them and many more at one time or another. Having gathered into itself all these forces, Bolshevism proceeded to offer them on the altar of industrialization. It is not the state that withers away; it is Marxism—or its revolutionary and anarchist side. Having destroyed the trade unions as independent organizations, Stalin dismissed as petty-bourgeois nonsense the argument for egalitarianism in wages and for giving the workers a share in management. An exuberant cult of personality and loose morals are notoriously unhelpful to the national economy; something which a Victorian Methodist

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who was also a manufacturer and a Liberal M.P. had argued a good many years before the Soviet bureaucrats, who made divorce difficult and expensive to obtain and homosexuality a crime. Literature, the newspapers, and the arts should teach useful social lessons rather than being frivolous or disturbing, and so the Soviet authors and artists became socialist Horatio Algers purveying "socialist realism." This neo-Victorianism inherent in so many features of Soviet society has been characterized as the "great retreat" and sociologists have discovered social stratification in the society where class conflict had been abolished. Yet it is difficult to view the work of the 1930's as a retreat from Marxism to opportunism. It is the logical completion of Marxism, "revolution fulfilled" rather than "revolution betrayed." Terror and totalitarianism have compressed the decades of industrial revolution in the West into a relatively few years in Soviet Russia. Whatever revolutionary elements were unorthodox and even irrelevant to the main task—industrialization—were destroyed during the great purge of the 1930's. Russia, and here we must grant partial justification to the claims of the Communists and Communist sympathizers, proved her status as an industrial state during the Second World War. Has Marxism in its most totalitarian form shown its superiority as a social and economic technique? Has it really conquered the forces of history and demonstrated that it is the wave of the future for the whole world? Events in Russia since the end of the war offer an answer.

The extent of Russia's industrial recovery and expansion has amazed the world. Helped by the West during and after the war and enriched by loot from the satellites, the industrial segment of Soviet Russia reveals an amazing vitality and strength. No longer is Stalin's aim, "to catch up and to outstrip" the West, taken as empty propaganda. Science, the state, industrial discipline—these elements of industrial society are now firmly implanted in Soviet Russia. But Lenin's and Stalin's other challenge, repeated at the beginning of the great transformation in the late 1920's, is still unanswered: "Who will get whom?"—"we," the bourgeois, anti-industrial, anti-socialist forces in Russian society, or "they" us? Dialectic has played a strange trick on Soviet society and its rulers. Marxism has destroyed anarchism, or a large part of it, only to give rise to social forces and classes not unlike those against which Marx was raging in the England of the 1860's and 1870's. The Soviet worker has accepted industrialism and, unlike his English brother of the corresponding period, he has been given social security. But, like the industrial worker in any mature industrial economy, he wants the elimination of the speed-up system and output norms; he wants better

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housing and higher wages: he is, in brief, at the point where the Western worker was ready to discard the syndicalist dream as irrelevant and to plead for real trade unions.

And the new Soviet middle class—the official, whether his place is in the army, party, industry, or the labor aristocracy—why should his mentality be essentially different from that of the bourgeois in any advanced industrial country? There is a ready answer: terror and propaganda. But terror will only stifle criticisms, it will not suppress aspirations. Propaganda may indoctrinate insofar as the world outside one's own experience is concerned, but it will not always affect the experience. Acquisition of power and status in the Soviet Union is of course not the same process as in the United States or England, and yet there are considerable similarities. Even the tension of economic speculation at the height of a boom or depression may be very roughly compared to the "political speculation" in which a Soviet bureaucrat or even scientist must engage at times. But we need not push comparisons excessively far. All that is necessary is to observe the system of incentives for the various segments of its middle class which the Soviet regime has either put into effect or on paper: material rewards which make laughable the egalitarian pretensions of the early days of the regime, ranks, uniforms, and orders, and (on paper) judicial security and assorted democratic freedoms. The Soviet middle class wants status and security.

Stalin's original challenge—who will defeat whom, the Bolsheviks or the inert and bourgeois forces in the society?—has thus received a new twist. For at one level "we" and "they" are the same people. One of the most perceptive studies of Soviet society observes on this problem, from the point of view of totalitarian control: "This transformation of the political administrator into a technical one, and the consequent blinding of one of the eyes of the Kremlin, is apparently a matter of great concern to the top Party leadership."[17] But the problem is not primarily one of control. It transcends even totalitarianism and attacks its rationale in Russia: Marxism and the role of the Communist Party and its highest organs as the sole exponent of truth. If Marxism has accomplished its historical mission of bringing Russia from backwardness to the status of an industrial power and one of the two great states of the modern world, what further use have "we" for Marxism? Its precepts sound irrelevant and confusing in the daily reality of Soviet life. And if the fight has been fought and won, can't "we" have a bit

[17] Barrington Moore, *Terror and Progress USSR*, Cambridge, Mass., 1954, p. 18.

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less totalitarianism and more security? Why not substitute socialist pragmatism for Marxian doctrine, why not have a kind of bureaucratic *rechtstat* instead of the full vigor of party-driven totalitarianism? If questions such as these were not being asked within the party hierarchy after the war, for whom did Stalin write the following passages: "Some comrades deny the objective nature of scientific laws, in particular the laws of political economy under socialism. . . . In view of the special role allotted by history to the Soviet state, they hold, *the Soviet state and its leaders can negate existing laws of political economy, can 'establish' new laws, 'make' new laws*"?[18] And, "The point is that we, as the leading core, are joined each year by thousands of new, young cadres fired with the desire to help us, eager to prove themselves, *but lacking* an adequate Marxist education. . . . They are amazed by the colossal achievements of the Soviet regime, their heads are turned by the extraordinary successes of the Soviet system and they begin to imagine that the Soviet regime 'can do anything,' that 'everything is child's play' to it, that it can negate scientific laws and fashion new ones. *What is to be done with these comrades?*"[19] Stalin's intervention on the eve of the Nineteenth Party Congress may be taken as evidence of the dictator's senility, for the questions he asks and the answers he gives must have been heard by the "new comrades" hundreds of times; or it may be taken as a direct warning that pragmatism should not replace Marxism, and that the party and its totalitarian controls should not begin to wither away.

The postwar history of Russia may be seen as turning around the definition of the place of Marxism in Russian society. Marxism was kept in the background during the "Patriotic War," membership in the party became a reward for good service. Once the war was over, nationalism as well as Marxism was used to justify the need for further sacrifices and for continued isolation from the capitalist world. One should not discern world-shaking importance in such petty measures as the introduction of uniforms for some branches of the civil service, the abolition of the title of "Commissar" and the reversion to "Minister," or the omission of "Bolshevik" from the title of the ruling party. Petty and formal as the measures are, however, they are still characteristic. Anything which smells of revolution has become a bit embarrassing to "some comrades." It is curious that no Party Congress was held immediately after the war to hail the victory. It would be laugh-

[18] Stalin, *Economic Problems of Socialism in the U.S.S.R.*, in *Current Soviet Policies*, Leo Gruliow, ed., New York, 1953, p. 1 (italics added).
[19] *Ibid.*, p. 2.

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able to think that the leaders were afraid of political trouble; it is more likely that they were not sure in what direction to chart the future of the state and the party. The Nineteenth Party Congress of October 1952 looks in retrospect like an attempt to reassert the party's role, and the events of the few months preceding Stalin's death like a build-up for another major purge. But it is significant that Stalin's death was followed by an amnesty, and a laborious demonstration of "Soviet legality" in the release of the Kremlin doctors.

What transcends the personalities involved, the shifts in power, the assassinations and purges, is the basic problem of social forces at work in Soviet society. Omnipotent as it appears to be, the regime still has to deal with social forces as they become translated into figures of production. Marxism has probably industrialized Russia faster than capitalism could have done, but at a far more terrible cost. Marxism has thus done its work, and there must be many who wish that Marxism and the Communist Party in the form they know it would go away. Will the work be undone if Marxism "goes away"? Stalin and the leaders of the Communist Party have thought so, but their opinion is obviously not unbiased. However, an impartial American observer, Barrington Moore, holds with Stalin: "Should the political source of industrial expansion vanish or decline, there is nothing in sight to take its place. From the worker up to the minister, the disappearance of this political pressure would mean the end of that part of his situation which now results in the drive for greater and greater output. Stagnation, as has been indicated at other points, appears built into the structure of the Soviet economy and lies continually just beneath the surface. So far it has not been permitted to develop because of the dynamic leadership at the center. If this factor changes, the entire machine could conceivably grind to a stand-still. . . ."[20] I cannot accept Mr. Moore's analysis in its entirety. Yet there is one major factor which provides partial justification for it and for Stalin's admonition. Marxism and the party still have tasks ahead in Russia.

We are back with the figure with whom we started: the peasant. If his attitudes and problems had a great deal to do with the rise and original success of Marxism in Russia, his very intractability to Marxism presents the doctrine and the party with a still uncompleted mission. The peasant does not produce enough. Collectivization has subjugated him and has released labor for the factories, but it has not made village peasants into workers. Here then is the current battle of

[20] Moore, *op.cit.*, p. 71.

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Marxism in Russia, the battle on which turns the future of the Soviet regime.

In Sholokhov's novel on the great collectivization, *Podnyataya Tselina*, one of the central characters, a peasant who helped in the collectivization drive, refuses at the end to join the Communist Party. In explanation, he avows that he loyally supports the Communist regime and its objectives, but that a nostalgic feeling grips him whenever he sees the cow he owned pasturing with the collective herd. Collectivization, whether we take the word of a literary propagandist or that of Mr. Khrushchev, does not suit the peasant. . . . The problem transcends the economics of production; it goes to the roots of Marxism and Communism in Russia. The only possible types of solution were defined by Stalin. Writing as if of the past, Stalin nevertheless outlined the current dilemma: "The answer is not, of course, provided by the opinion of some pseudo-Marxists. . . . They propose to wait until capitalism has contrived to ruin the millions of small and medium producers, turning them into farm laborers, and has concentrated the agricultural means of production. . . . Obviously Marxists cannot agree to this 'solution' if they do not want to disgrace themselves in the long run. Likewise unacceptable is the view of other pseudo-Marxists who would, if you please, seize power and set about expropriating the small and middle producers in the countryside and socializing their means of production."[21] Yet the second course, "senseless and criminal" as Stalin calls it, was essentially the solution adopted by Stalin himself in 1929-1930 and modified partly since then. The two "pseudo-Marxist" courses which he outlined are still the only ones open to the regime, although supposedly a third course, collectivization, has already been adopted. Either the peasant becomes a farmer—and this can be done by loosening the structure of the collective farm—or he becomes a worker.

In fact, since about 1931 the Soviet regime has tried both courses intermittently. Stalin allowed the garden plot, but talked seductively of the joys of agrarian "communism," when peasant families would be lodged in apartment buildings and eat in common dining halls. It does not take much imagination to see that the great man was obsessed, and rightly so, by the problem, and was pulled this way and that way by his advisers, especially in his last years. Andreyev proposed a structural change or emphasis in the kolkhoz, which might conceivably lead to its eventual transformation into a genuine cooperative, and in 1950 Andreyev, a member of the Politburo, was severely reprimanded.

[21] Stalin, *op.cit.*, p. 3.

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Next it was Khrushchev who led in the opposite direction: he proposed amalgamation of the kolkhozes into fewer and larger collective farms. Beyond the super-kolkhoz, he envisaged the agrogorods or agro-cities. But Khrushchev in turn was repudiated and the idea of agro-cities was dropped for the time being.[22] With a true Marxist's instinct, the aging despot turned to extravagant technological projects to solve the social and economic problem. Not only the agro-city, but far-reaching schemes of canal and forest construction, were to change nature and transform the peasant.

Stalin's death left his successors with the legacy of the unsolved, and in fact insoluble, problem. The issue of consumer goods, the spectacle of factory workers being sent out to construct state farms on the infertile soil of Kazakhstan, are not only indications that Stalin's successors are either courting popularity or quarreling among themselves, but also that social forces are impinging upon both the doctrine and the party. Marxism in Russia is confronted by the industrial state which it has created and which does not need it any more, and by peasant society which, having provided the rationale for the rise of Marxism, has not proved susceptible to Marxist solutions.

Our argument has touched on the role of ideologies and social forces. It would be foolish to interpolate a prediction and assert that the Soviet system *must* become more or less "liberal" in its policies. A totalitarian system ~~does not abdicate~~ of its own free will, even in the face of insuperable ideological or economic difficulties. All that the argument of this paper claims is that by defining the historical role of Marxism, we see more sharply the current dilemmas of the Soviet system. The same type of analysis, it is submitted, is not irrelevant to the development of other contemporary societies.

[22] Fainsod, *op.cit.*, p. 457.

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THE POSTWAR ITALIAN ECONOMY

Achievements, Problems, and Prospects

By GEORGE H. HILDEBRAND

WITHIN the past year, the Italian government has revealed a ten-year program, known as the Vanoni Plan, for the development of the Italian economy. By the investment of $56 billion, the government hopes to conquer the problem of chronic unemployment and to revitalize the laggard southern region of the country. The plan is a bold and imaginative one, replete with government controls, and probably too optimistic. Nonetheless, it has forcefully drawn international attention to Italy's basic economic problems. Hence it is opportune to examine those problems against the perspective of what has been attained by the Italian economy in the past ten years.[1]

I. Background

Compared with northwest Europe, Italy has always been economically poor. Capital is much scarcer and the endowment of natural resources is much less favorable. Deposits of coal and metallic minerals are negligible or lacking, though natural gas production is growing and petroleum has recently been discovered. Arable land is poor in average quality. Only 1.78 hectares are available per person engaged in agriculture, one-third less than in France, while total arable land is one-quarter below France although the population of Italy is 10 per cent larger (47.1 million in 1951).

In a sense, Italy suffers from population pressure, though its nature is not obvious. Between 1901 and 1951, the live birth rate per thousand fell from 32.5 to 18.4, a drop of 43.4 per cent, bringing it below that of France (19.5) and well under that of Holland (22.4 in 1952). However, the Italian death rate also fell markedly in the past half-century—from 22.0 to 10.3 per thousand, a drop of 53.2 per cent. In result, the net

[1] To save space, footnote references to general sources have been eliminated. These include: *Annuario Statistico Italiano* (various issues); the annual *Relazioni* (reports) of the Ministers of the Treasury and Budget; and *Rassegna di Statistiche del Lavoro* (various issues). On request, the author will be glad to provide detailed documentation.

This study is part of a larger investigation of the Italian economy, centering on wages and unemployment and initiated during residence in Italy in 1952-1953. The author acknowledges with appreciation fellowships awarded him by the Guggenheim Foundation and the Italian-American Fulbright Commission, which made the inquiry possible.

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excess of live births over deaths declined only from 10.5 to 8.1 per thousand, leaving Italy ahead of France and the United Kingdom, though well behind Holland and the United States.

Though the natural rate of increase now compares well with that of the highly industrialized nations, demographic pressure on the labor market is still intense. This arises from the very high birth rates fostered by the Fascist government during 1933-1938. Thus about 62 per cent of the net average annual increase of about 250,000 in total population currently enters the labor market, even though the over-all participation rate ("active" relative to total population) was only 41.7 per cent in 1951.[2] In time the absolute rate of increase in the active population will fall, but in the current period it poses a formidable problem: that of creating new job opportunities at a rate high enough to prevent further growth of unemployment. The problem is an old one for Italy, but in former times it was relieved by emigration. At the turn of the century, emigration totaled over one-half million persons a year, rising to a peak of 872,598 in 1913. These levels were never regained after the First World War, and during 1949-1951 net emigration averaged about 115,000 persons a year.

Agriculture is still the principal economic activity (42 per cent of the active population). Though important progress has been made in mechanization and improved fertility, the agrarian economy suffers from many handicaps. Much of the area under cultivation lies in hilly or mountainous districts, where productivity is very low. Over the generations, individual properties have steadily been reduced by division and redivision. Many of these now embrace five acres or less, frequently scattered and too small in total to provide full-time employment or adequate sustenance for their resident families. Part of this labor surplus is concealed in underemployment, while part feeds the urban pools of unskilled unemployed. In some regions the medieval latifundia, or estate system, still survives, fostering tenancy with low returns and casual field labor that is unemployed much of the year. For many decades, government policy has favored extensive wheat cultivation at the expense of intensive cultivation of fruits and vegetables, though natural export advantages lie in the latter direction. While prospects are good for increasing the net value product of agriculture, employment is almost certain to decrease. This makes the ex-

[2] The "active" population excludes those searching for a first job, though these persons would be included in a measure of the "labor force." The percentage of the Italian population in active status has fallen steadily, from 53.2 per cent in 1871 to 41.7 per cent in 1951, in good part because of difficulties in increasing employment opportunities.

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pansion of industry, trade, and services imperative, posing special difficulties for South Italy, where transition is much less advanced.

Manufacturing industry in Italy is heavily concentrated within the northwest triangle, cornering on Genoa, Turin, and Milan. Except for limited developments at Rome and Naples, significant industrialization does not extend south of Tuscany. Thus it is in the North that one finds the most productive and most advanced part of the country, and it is here that the highest wages are paid. Significantly, too, this is the region that has been the principal beneficiary of state policy since unification in 1870. Yet, here again, autarchic policies have been followed—for example, those that have aided the relatively inefficient iron and steel industry at the expense of much more promising sectors such as machinery and engineering products. Also, like the rest of the country, Italian industry suffers from an acute lack of capital, which lowers the economic productivity of its workers.

Despite its handicaps, North Italy exhibits the principal characteristics of highly industrialized northwest Europe. By contrast, South Italy fits closely with the other lands of the Mediterranean basin. Rich in beauty and in history though it is, the Italian South is an impoverished and densely populated agricultural region, comparable to Greece and Spain. Farming is the dominant pursuit (53 per cent of the active population, as against 37.3 per cent in the North) and per capita income is 44 per cent below North and Central Italy. Birth and death rates are high and nearly 30 per cent of the inhabitants are illiterate. Housing standards, diets, and consumer services are well below those of the North. With decades of official neglect, roads, schools, public works, transport, and communications are far less developed. In consequence, markets are small and expansion has been choked off. Investment of private capital has not proved attractive in this unpromising environment of mass poverty, while northward migration of southern labor has been partially blocked by legal and private barriers.[8]

In addition to these sharp interregional differences, the Italian economy is heavily dependent upon foreign trade. For example, in 1953 the total turnover of imports and exports (commodities and services)

[8] A careful history of state policy toward the South can be found in Giuseppe Cenzato and Salvatore Guidotti, "Il problema industriale del Mezzogiorno," in Ministero per la Costituente, *Rapporto della Commissione Economica*, Rome, 1947, II: *Industria*, part 1, pp. 361-417. Telling comparisons between North and South Italy can be found in Giuseppe Di Nardi, "The Program for the Economic Development of Southern Italy," Banco di Roma, *Review of the Economic Conditions of Italy*, VI, No. 2 (March 1952), pp. 99-109; United Nations, Department of Economic Affairs, *Economic Survey of Europe in 1953, Including a Study of Economic Development in Southern Europe*, Geneva, 1954, pp. 124ff.

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amounted to 27 per cent of gross national product. Merchandise imports dominate total imports. In 1953, 54.7 per cent of merchandise imports consisted of industrial raw materials, and 16.8 per cent represented foodstuffs. Clearly, the ability of the country to expand production and employment rests directly upon its ability to import. Yet Italy has long suffered from a deficit in her commodity and service account. Thus, in 1953, exports fell 22.2 per cent short of covering imports. Earnings of Italian capital abroad have long been negligible. Hence, during the past decade the gap has been closed by emigrant remittances, private donations from abroad, and a series of foreign aid programs largely financed by the United States. With the decline of foreign aid in recent years, it has become imperative that Italy increase her exports. Here, however, the situation is unusually difficult, because the bulk of Italian exports suffers from unusually high income and price elasticity of demand in world markets, and because some of her best customers (England, France, and the United States) have imposed quantitative import restrictions upon important categories of Italian goods.

In turn, Italy's vulnerable balance-of-payments position imposes serious restrictions upon internal policies. A vigorous program of deficit financing based upon expansion of bank credit, such as the American Mission was urging in 1949 as a cure for chronic unemployment, would lead promptly to an increase in the demand for imports, principally in the form of food and industrial raw materials. Reserves of gold and foreign exchange have never been adequate to sustain a foreign trade deficit for long. In result, the government would face the choice either of attempting direct controls over imports and exports or of allowing the lira to depreciate. Strong devotion to freer world trade makes these controls repugnant to the government. Depreciation of the lira is equally unattractive. It could only serve as a temporary palliative and it clashes with the government's determined and largely successful effort, since 1947, to stabilize the price level by classical monetary methods, an objective considered vital to the competitive position of Italian exports and to the growth of internal voluntary savings required for badly needed capital formation. Moreover, depreciation would call for elaborate direct controls over prices, wages, and the distribution of goods, if internal adjustments to devaluation were to be prevented. Controls are repugnant to a country still wary of the Fascist experience, and so would probably be ineffective.

Clearly, therefore, the position of Italy in the world economy allows the country relatively little freedom of maneuver for coping with its

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problems of production and employment by fiscal-monetary methods alone. In addition, the country has also been handicapped, at least until 1949, by grave economic losses inflicted by the Second World War.

To say that the war was an economic disaster for Italy is not an exaggeration. Traditionally poor in capital and in natural resources, the country lost almost a third of its national wealth.[4] By 1945, total production had fallen to perhaps one-half the 1938 level. Agricultural output dropped 40 per cent below prewar, while available daily calories of foodstuffs per capita had declined from 2,652 in 1936-1940 to 1,737 in 1945, a fall of 34.5 per cent. The soil was depleted from lack of fertilizer, industrial stocks were run down, and much equipment destroyed or worn out. Transportation was badly disorganized. Rapid inflation was also under way.

Thus the rebirth of parliamentary democracy in Italy took place in extremely difficult circumstances. Three critical problems demanded prompt action. The population had to be fed, and here foreign aid proved vital; production had to be restored to prewar levels; and inflation had to be checked. In addition, the new government was confronted with certain deep-seated and chronic difficulties: the general backwardness of industry and agriculture, serious unemployment, the depressed condition of the South, and a heavy deficit in foreign trade. All of these difficulties were thrust upon parliamentary government in a country beset by sharp political dissensions, made even more acute by the presence of a strong, well-led, and well-financed Communist Party, in effective control of the trade unions and already clearly opposed to economic recovery and to the parliamentary system itself.

II. Postwar Economic Recovery

National Income and Production

Considering the desperate conditions at the end of the war, the economic recovery of Italy has been remarkable, all the more so in comparison with much of the rest of Western Europe. As Table 1 indicates, the 1938 levels of income and production were regained by 1949-1950. By 1954, real gross national income was almost 50 per cent above prewar, while industrial production was 76 per cent higher. Net agricul-

[4] The government estimates the following detailed losses: 3.0 million dwelling rooms destroyed or seriously damaged, and another 3.8 million partly damaged; 87.4 per cent of the gross tonnage of the prewar merchant marine sunk or captured; one-quarter of all railway mileage and 60 per cent of all motive power destroyed or damaged; damage to industrial plant and equipment equal to 20 per cent of prewar value; capital losses in agriculture, commerce, and public property amounting to 1,450 billion lire (1949 prices).

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TABLE 1. MOVEMENTS IN REAL NATIONAL INCOME AND PRODUCTION IN ITALY, 1937-1954

(1938 = 100)

Year	*Gross national income*	*Gross investment*	*Total consumption*	*Industrial production*	*Agricultural production*[a]	*Per capita gross income*	*Per capita total consumption*
1938	100	100	100	100	100	100	100
1947	80	70	83	—	84	75	78
1948	88	87	88	100	94	82	82
1949	99	93	100	110	103	92	93
1950	113	110	113	127	108	104	104
1951	115	123	113	143	115	105	104
1952	128	133	133	147	115	117	121
1953	141	143	145	161	122[b]	128	132
1954	149	153	151	176	—	135	137

[a] These data are based upon a prewar average and are published in split years which have been credited here to the first of the two calendar years involved in each observation.

[b] Preliminary.

SOURCE: Income, investment, and consumption data are latest available estimates of the Italian government, published in the annual *Relazioni* (reports) of the Ministers of the Treasury and of the Budget. They are deflated to 1938 prices using the official index of wholesale prices. Per capita income equivalents are based upon population data published in United Nations, Statistical Office, *Demographic Yearbook, 1953*, New York, 1953.

The statistics of Italian national income have undergone frequent revision. For the earlier years in particular, the margin of error is probably large.

Industrial and agricultural production series from Organization for European Economic Cooperation, OEEC Statistical Bulletins, *General Statistics* (serial), various issues.

The year 1938 is an official base date. Limitations of prior income and production data make it difficult to determine whether 1938 was a "good" or "bad" year. However, on the basis of an estimate of real net national product since 1901 prepared by the Central Institute of Statistics, 1938 was about equal to 1929 and well above all intervening years.

tural output lagged well behind, though it exceeded 1938 by about one-quarter in 1953. Per capita real gross income and consumption both fell drastically in the closing years of the war, yet promptly recovered to 1938 levels by 1950, though population in 1950 was 8 per cent larger than in 1938. By 1954, per capita income and consumption were more than one-third above prewar.

Clearly, these postwar figures underscore the resilience and vitality of the Italian economy. Despite all of its handicaps, the country has achieved rapid and sustained economic expansion for seven years. Furthermore, the average rates of growth (geometric means) attained in the national income components have been remarkably high, as Table 2 shows. To illustrate, real gross national income increased 9.4 per cent annually during 1947-1954. Reflecting determined efforts to restore, modernize,

TABLE 2. AVERAGE ANNUAL GROWTH RATES IN NATIONAL INCOME COMPONENTS, 1947-1954
(per cent)

Period	*Gross national income*	*Gross investment*	*Total consumption*
1947-1954	9.4	11.8	9.0
1950-1954	7.0	8.6	7.4

SOURCE: Computed from Table 1 above.

and expand the economy, real gross investment has advanced even more rapidly, at an average rate of 11.8 per cent per year. At the same time, the rate of real gross savings and investment has been very large, averaging 19.9 per cent of real gross national income during the postwar years.

The only comparable period of rapid and sustained expansion in recent Italian history was between 1911 and 1925. During these years, real net national product increased on the average (geometric mean) by 11.9 per cent annually, though there were intervening fluctuations.[5] Plainly, the Italian economy has proved capable of very high rates of expansion, notwithstanding scanty national resources, dense population, extreme poverty, and the imbalance between the North and South. This viability, so characteristic of the Italian people themselves, thus provides some foundation for the belief that their chronic economic difficulties can eventually be overcome.

Considering the rate of expansion actually achieved during 1947-

[5] Based upon estimates of net national income (current prices) developed by the Central Institute of Statistics for 1901-1951, and deflated for price changes by Colin Clark, "The Development of the Italian Economy," in Banca Nazionale del Lavoro, *Quarterly Review*, VII, No. 30 (September 1954), p. 126.

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1954, the government's continued insistence upon a fiscal-monetary policy designed to stabilize the price level without recourse to extensive direct controls takes on added importance. In an effort to check a dangerous inflation, the government in August 1947 adopted measures to reduce the liquidity of the banks and to switch deficit financing from the banks to the capital market. The results were successful and since that time the government has steadily adhered to a non-inflationary fiscal-monetary policy, hoping with a reasonably stable price level to induce a revival of voluntary savings, while maintaining the external value of the lira under conditions of increasingly freer international trade. Strictly speaking, this policy was never actually deflationary, either in the sense of persistently forcing down prices and wages or of inducing stagnation in output. Total money supply has continued to rise, though at a somewhat slower rate. The price level has kept remarkably stable, and the external value of the lira has been well maintained.

At the same time, the country has achieved a very high and unbroken rate of expansion, and an even more impressive growth in savings and investment. And these results have been accomplished despite recurrent criticism from American and United Nations officials to the effect that the Italian monetary policy either was not bold enough to induce adequate expansion or was actually deflationary and thus an important cause of the heavy burden of unemployment.[6]

After 1949, the growth rates in the components of Italian national income show considerable declines, though they remain high. This shift was to be expected. At the end of the war, the economy was working well below capacity, because of plant damage, run-down stocks, and disorganized transportation. Timely and generous foreign aid helped overcome these initial handicaps, and output rapidly increased. However, the slack in reserve capacity has now largely been taken up, slowing the rate of over-all expansion in the past five years.[7] In 1954, for example, real gross product rose by 5.7 per cent over 1953, which compares with an average rate of 9.4 per cent for 1947-1954 as a whole. Also, foreign aid itself has dropped by an average of 25 per cent during

[6] See, for example, Economic Cooperation Administration, *Italy Country Study*, Washington, D.C., 1949, pp. 2-3; United Nations, Department of Economic Affairs, *Economic Survey of Europe in 1949*, Geneva, 1950, pp. 70-71; *Economic Survey of Europe in 1950*, Geneva, 1951, pp. 140-43; *Economic Survey of Europe Since the War: A Review of Problems and Prospects*, Geneva, 1953, pp. 75-77.

[7] There is, of course, a persistently large reserve of unemployed (at least 1.7 million), as well as perhaps 1.0 million persons engaged in agriculture who could be withdrawn without loss of agricultural product. However, by reason of location and lack of technical training, these persons are not an immediately or fully effective reserve of human productive capacity. Also, there is a serious shortage of complementary capital requisite to their employment in productive uses.

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1950-1953 as compared with 1943-1949. For the next several years, at least, Italy will have to rely mainly upon her own ability to increase and improve her productive resources, and to expand national product. Thus it seems likely that the rate of growth in output will fall further, probably to between 3 and 5 per cent annually.

PRODUCTION BY SECTORS

Structurally, the Italian economy is still heavily agricultural. Net value product of agriculture, forestry, and fishing represented 27.3 per cent of total unadjusted private net product in 1954, as against 6.3 per cent in the United States (1953). The net product of Italian manufacturing industry in 1954 was 35.1 per cent of total private net product, while for 1953 the American figure was 36.2 per cent. Although manufacturing has high relative importance in Italy, its development is well behind the industrialized countries of northwest Europe. Moreover, Italy is only beginning to develop the sector of services—as might be expected, given the low per capita level of incomes at this time.[8]

As Table 3 indicates, the expansion of industrial production during

TABLE 3. MOVEMENTS IN INDUSTRIAL PRODUCTION, 1953-1954 AND 1938 (1938 = 100)

Category	*1953*	*1954*
Manufacturing industry	150	165
Machinery and engineering products	156	164
Foods	152	155
Textiles	113	114
Chemicals	212	260
Basic metals	149	170
Petroleum products	591	—
Printing and publishing	151	—
Non-metallic minerals	161	172
Shoes and clothing	113	—
Timber and lumber	59	70
Rubber	160	194
Paper	129	134
Tobacco	139	—
Leather	91	—
Mining and quarrying	175	197
Electricity and gas	202	217
Over-all index	156	171

SOURCE: *Relazioni* for 1953 and 1954.

[8] Net national income per capita in Italy in 1954 was one-fifth of that in the United States ($365 vs. $1,847). Lira conversion rate: 625 = $1.00.

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the postwar years has been uneven. Impressive gains have been recorded for relatively new manufacturing industries, such as petroleum products, rubber products, and chemicals, whose aggregate net value product was 15.7 per cent of all manufacturing in 1953. In the older branches of manufacturing, basic metals, machinery and engineering products, and food products stood out, accounting together for 53.3 per cent of net value product in manufacturing. In these categories, production was 50 per cent or more above 1938. By contrast, timber and lumber, and leather remained even below 1938. Textile production, which in 1953 accounted for 12 per cent of net value product in manufacturing and which contributes a leading share of export earnings, in 1954 was only 14 per cent above 1938. Outside of manufacturing, both mining and quarrying and electricity and gas showed large gains relative to 1938.

The growth of agricultural production was much less impressive, reflecting as it does the relatively poor average quality and limited extent of arable land, inefficient types of farm enterprise, and obsolete methods of cultivation. Nonetheless, as Table 4 indicates, marked increases were recorded in the production of fruits and vegetables. By contrast, cereal output and forest products lagged well behind. In addition, 1954 proved a bad year climatically, with total agricultural production about 6 per cent below 1953.

TABLE 4. MOVEMENTS IN AGRICULTURAL PRODUCTION, 1953-1954 AND 1938 (1938 = 100)

Category	*1953*	*1954*
General index	120	113
Edible foods	121	113
Cereals	111	91
Leguminous plants	108	106
Vegetables and potatoes	137	144
Products for food processing	128	122
Fruits	178	157
Vegetable products	137	121
Animal products	108	116
Forest products	109	100
Woods	116	109
Other	85	70

SOURCE: *Relazioni* for 1953 and 1954.

FOREIGN TRADE AND BALANCE OF PAYMENTS

On the basis of a rough calculation, using the wholesale price index as a deflator, the volume of Italian merchandise exports soared by 181.5

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per cent between 1947 and 1954, reflecting the strong recovery of total production from an initially low start. Because of the country's heavy dependence upon imported foods (16.8 per cent of all merchandise imports in 1953) and manufacturing raw materials (54.7 per cent in 1953), the volume of imports rose 44 per cent between 1947 and 1954.

Italy has had an unbroken series of deficits in merchandise trade for at least a quarter of a century. Traditionally these were covered by earnings from services, the highly important tourist trade, and emigrants' remittances. In the postwar years, these latter credits have been strongly supplemented by official and private donations, dollar loans and EPU advances, and offshore purchases for United States military account.

Between 1947 and 1950, the deficit in merchandise trade was cut by three-quarters (from 595 billion lire to 153 billion), mainly with the recovery of exports. After 1950, the deficit rose again, largely from the inflation of world prices during the Korean War and the rapid increase of imports with the expansion of national income and output. In 1954 the deficit was just under 400 billion lire.

On the export side, Italy's major markets for her merchandise are Germany (11.4 per cent in 1953), the United States and Canada (10.6 per cent), the United Kingdom (7.3 per cent), and Switzerland (6.9 per cent). While the German market has not yet returned to its 1938 share (19.1 per cent, including Austria), it is well on the way. On the import side, 12 per cent of the 1953 total was supplied by Germany (26.8 per cent in 1938, including Austria), 14.6 per cent by the United States and Canada, 8.3 per cent by Saudi Arabia and Iraq (petroleum), and 7.7 per cent by the United Kingdom.

According to composition by commodity groups, 53.5 per cent of Italian merchandise exports in 1953 consisted of manufactured products—principally textiles, machinery, and transportation equipment. Food, beverages, and tobacco constituted 23.8 per cent—mainly fruits, vegetables, and wines. Imports were strongly dominated by manufacturing raw materials (54.7 per cent in 1953), consisting largely of wool, cotton, petroleum, and coal and coke. Food imports accounted for 16.8 per cent, and were dominated by wheat and coffee.

Italy's current international account for 1954 shows that the 399 billion lire deficit in merchandise trade was reduced to 259 billion in the current account total, in good part through credits earned from tourists. Unilateral transfers (emigrant remittances and private donations) further reduced the deficit to 171 billion lire. Various types of aid by foreign governments yielded an additional 150 billion in net credits,

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leaving an over-all deficit of 21 billion. This compares with a deficit of 136 billion in 1953. According to a recent report by Donato Menichella, Governor of the Bank of Italy, Italy's reserve of gold and foreign currencies at the end of 1954 was $891 million. Assuming no further official foreign aid, this reserve would cover the present deficit for only three years, with no allowance for working capital requirements. Signor Menichella also warned that imports were excessively high and had to be reduced, noting that they had been inflated by the rapid increase in domestic production.[9]

Regarded in the light of the high rate of expansion since 1947, the present increasing strain on the balance of payments should not be surprising. Clearly, Italy has a high propensity to import, both for raw materials and goods for final consumption. And though prices have not risen much in the past three years, liberal credit policies have pushed output up very rapidly. Foreign trade policy has also been liberal. In consequence, Italy's balance of payments reflects the effects of these policies upon her position in international trade. Here, then, is additional reason to expect the rate of growth in gross product to fall further in the near future.

Had it not been for generous and long-continuing foreign aid, Italy could not have attained her impressive postwar expansion. As Table 5 indicates, total donations (about 80 per cent American) plus extensive dollar credits amounted to $3.54 billion during 1943-1952. After 1949, the annual rate of total aid dropped about 25 per cent. Current indications are that it is falling even more rapidly.

TABLE 5. NET OFFICIAL AND PRIVATE FOREIGN AID TO ITALY, 1943-1952
(in millions of U.S. dollars)

Period	*Official and private net donations*	*Net drawing of dollar credits*	*Total*
1943-1946	1,154.3	46.4	1,200.7
1947-1949	1,240.9	212.7	1,453.6
1950-1952	927.5	–37.8	889.7
Total	3,322.7	221.3	3,544.0

SOURCE: (1943-1946) V. Lutz, "Italy: Economic Recovery and Development," in Howard S. Ellis, *The Economics of Freedom: The Progress and Future of Aid to Europe*, with an introduction by Dwight D. Eisenhower, published for the Council on Foreign Relations, New York, 1950, p. 303. (1947-1952) International Monetary Fund, *Balance of Payments Yearbook*, v (February 1954), p. 4.

Official Allied aid to Italy, predominantly American in origin, has been extended in a series of programs, starting with donations of food, clothing, and medical supplies by the Allied armed forces shortly after

[9] *New York Times*, June 1, 1955.

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the invasion of Sicily in July 1943. These gifts were soon supplemented by raw materials for industry and agriculture. During 1944-1946, the two most pressing needs were to feed the population and to restore economic production. But as early as March 1945, when the Lira Counterpart Fund was first set up, the purposes of official aid began to be broadened beyond emergency relief. The Counterpart Fund was to be accumulated from the sales proceeds of certain internally marketed goods received from abroad under the aid programs. From this time onward, increasing attention was given to capital investment for replacement, rebuilding, and expansion, in addition to the replenishment of stocks. Large sums have been expended upon various projects—railways, iron and steel plants, housing, irrigation and flood control, power plants, public works, and the general program for development of the South (*Cassa per il Mezzogiorno*). In addition, special purpose loans have been made by the U.S. Export-Import Bank and the International Bank for Reconstruction and Development.[10] For the near future, it seems probable that Italy will have to depend exclusively on special-purpose official and private loans and investments, in place of official donations.

WAGES

The postwar expansion of the Italian economy has been accompanied by a rapid rise in money and real wages. Partly the advance in wages has been related to the cost of living index (the *scala mobile*). Looking behind the averages, it can be said that the greatest gains have gone to field hands in agriculture, to unskilled manual workers in industry, to married workers generally, and to women workers. By contrast, government employees have not yet regained their 1938 level of real wages, nor have clerical employees in industry. Further, skilled workers in industry have lagged well behind the unskilled group, though their real wages have risen to some extent.

Some idea of the changes in the structure of real wages by economic sector can be gleaned from Table 6. The largest gains in real wages were attained in industry and agriculture, while government employees fell far behind. By marital status, married workers did far better than unmarried, mainly because the Italian wage system contains a substantial family allowance in addition to the basic wage. Furthermore, the manual groups in general gained far more than the white-collar groups,

[10] According to the *New York Times* (June 2, 1955), the IBRD has just granted a $70 million loan to the *Cassa per il Mezzogiorno*, to finance a land reclamation project near Catania in eastern Sicily, and electric power development and private industrial enterprises throughout the South.

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principally because collective bargaining has discriminated strongly in favor of the former.

TABLE 6. INDEXES OF REAL WAGES AND SALARIES BY ECONOMIC SECTOR, 1938-1954
(1938 = 100)

Sector	*1949*	*1954*
Agriculture[a]		
Unmarried workers	139.8	142.5
Married workers[b]	140.5	149.6
Industry		
Unmarried workers[c]		
Manual	110.5	114.7
Clerical	80.0	87.5
Married workers[d]		
Manual[b]	126.4	145.7
Clerical[e]	84.4	99.0
Commerce		
Unmarried workers[c]	—	101.0
Non-clerical	106.3	108.9
Clerical	88.9	96.7
Married workers[e]	—	121.4
Non-clerical	120.2	134.8
Clerical	95.8	114.9
Land transport[f]		
Unmarried workers	93.8	98.2
Married workers[b]	108.8	129.2
Government employees		
Unmarried workers[c]	68.9	77.2
Married workers[e]	71.9	78.4

[a] Covers steady and casual field hands.
[b] Married men only, with wife and three children.
[c] Men and women together.
[d] Men only.
[e] Married men only, with wife and two children.
[f] Male manual workers only.
Nominal indexes deflated by official index of the cost of living.

SOURCE: *Rassegna di Statistiche del Lavoro*, various issues.

Within the industrial sector, average net daily wages after very modest social insurance deductions paid by the worker were 1,362 lire for an unmarried worker in 1954, and 1,933 lire for a married one ($2.18 and $3.09 at the official rate of exchange). The difference is due to a daily family allowance of 571 lire for married workers. Relative

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to 1938, the average daily net pay in real terms has risen 14.7 per cent over 1938 for unmarried workers, and 45.7 per cent for married ones. It is also worth noting that by 1954 the base pay (including cost-of-living raises) accounted for 84.3 per cent of daily contractual wages for unmarried workers, and only 60 per cent for married workers. The Italian wage system is extremely complex, composed as it is of a great variety of supplementals over the base rate. With the postwar inflation, the flat-sum cost-of-living bonus has risen in importance, along with the family allowance, and the original base rate has lost significance.[11]

The postwar improvement in real wages has by no means been evenly distributed. Under trade union policy, the principal beneficiaries have been unskilled manual laborers and women. Thus, as Table 7 indicates, the real daily wages of unskilled manual laborers who are married had advanced 59.9 per cent by 1954 (over 1938), while women's real wages rose 70.8 per cent. In sharp contrast, the real daily wages of highly skilled manual workers (married) had risen only 26.5 per cent in the same period. Even more, the real wages of married clerical workers were still 1 per cent below 1938 in 1954.

TABLE 7. INDEXES OF AVERAGE DAILY CONTRACTUAL REAL WAGES BY VARIOUS CATEGORIES, INDUSTRY, 1938-1954
(1938 = 100)

		INCLUDING FAMILY ALLOWANCES			
Year	*Women*	*Skilled labor*	*Semi-skilled operatives*	*Specialized common labor*	*Common labor*
1948	163.3	99.1	113.9	123.4	134.2
1954	170.8	126.5	139.1	147.8	159.9

SOURCE: *Rassegna di Statistiche del Lavoro*, VII, No. 1 (January-February 1955).

The extent to which the leveling process has gone in wiping out differentials within the manualist group is shown in Table 8, where relative money wages are expressed as ratios to the corresponding common labor rate. Thus the skilled labor rate, which was 54 per cent larger than the common labor rate in 1938, fell to a level only 11 per cent higher in 1948, though in 1954 it recovered to a level 24 per cent above.[12] By contrast, the average daily rate for women rose from

[11] In addition to the base rate, the wage includes a cost-of-living bonus, a family allowance (for married workers), a bread allowance scaled to the physical effort required on the job, a readjustment allowance to provide for a modest restoration of skill differentials, and eight separate social security contributions of which the employer pays the entire amount. Other supplements are also assessed against the employer for holiday pay and similar benefits.

[12] Extensive readjustments in differentials were undertaken in 1954, to reverse the leveling process.

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65 per cent of the male common labor rate in 1938 to 88 per cent by 1954.

TABLE 8. MOVEMENTS OF RELATIVE DAILY MONEY WAGES IN INDUSTRY, BY OCCUPATIONAL CATEGORY AND SEX, 1938-1954[a]
(common labor rate = 1.00)

Year	*Common labor*	*Specialized common labor*	*Semi-skilled operatives*	*Skilled labor*	*Women*
1938	1.00	1.14	1.28	1.54	0.65
1948	1.00	1.04	1.07	1.11	0.87
1954	1.00	1.05	1.10	1.24	0.88

[a] Excludes family allowances, but includes other supplementals.
SOURCE: Computed from data in *Rassegna di Statistiche del Lavoro*, VII, No. 1 (January-February 1955).

Some indication of the postwar relative movement of average money wage rates by industry and industry groups can be gained from a comparison of average hourly earnings for 1948-1953. These data exclude the various uniform supplementals and thus approximate pure wage rates fairly well. They show an advance of 25.9 per cent for manufacturing as a whole, as against 42.3 per cent in the extractive group and 39.8 per cent for electrical utilities. Within manufacturing, the printing industry showed the largest advance (43.9 per cent) followed by transportation equipment and products (33.9 per cent) and chemicals (30.7 per cent). At the low end of the manufacturing group were non-metallic mineral products (20 per cent), clothing (19.8 per cent), and food processing (19.2 per cent).

In rank order for 1953, the highest hourly earnings are found in electrical utilities (241.2 lire), which compares with 182.5 lire in the extractive group and 168.9 lire in manufacturing as a whole. Within the manufacturing group, the leaders were metallurgy (iron, steel, and non-ferrous) at 223.0 lire, rubber products (206.5 lire), and transportation equipment and products (205.7 lire). On the bottom were textiles (141.98 lire), food processing (138.4 lire), and clothing (131.9 lire).

The average daily money cost of a manual worker in Italian industry has risen far more than his net pay for time worked, because of the rapid increase of charges for time not worked, plus social security costs levied on the employer. Thus in 1948, when the cost of living index was 48.4 times higher than in 1938, the daily money cost of an industrial worker was 69.7 times larger. By 1954, when the cost of living index exceeded 1938 by 58 times, labor cost was 99.1 times greater than 1938. Within manufacturing industry, the rise in labor cost showed

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considerable variance. In cotton textiles, for example, it was 160.7 times 1938; for manual labor in electrical utilities, 119.7 times; in chemicals, 96.9 times; in engineering products (Milan), 82.7 times.

Beyond doubt, collective bargaining and social security legislation have subjected the Italian economy to great pressure from the side of wage costs—pressure which the country can ill afford if it is also to maintain the external value of the lira, without resort to internal deflation. Rising labor costs and their structural peculiarities have also hampered the expansion of employment opportunities. Thus, to escape the extremely high social security burdens (an *additional* charge equal to 45.8 per cent of the average daily industrial wage), employers commonly resort to overtime work or actually refuse new orders. Since these levies under law must also be paid even for learners and apprentices in the 14 to 19-year age group, the traditional apprenticeship system has largely withered away. In result, a large part of the unemployed consists of unskilled and untrained young people, of little use to employers, who at the same time frequently meet with shortages of skilled help.

EMPLOYMENT AND UNEMPLOYMENT

There is no doubt that Italy suffers from a heavy burden of unemployment, augmented by much underemployment, especially in agriculture. The evidence also suggests that unemployment has been slowly increasing in the past four years, despite the rapid expansion of physical production.

On the supply side, the postwar rate of growth in the labor force has been extremely high, approaching 10 per cent annually, because of the peculiar age-distribution of the population referred to earlier. For the future, the outlook is more favorable. Official projections prepared for the Vanoni Plan indicate, before any allowance for emigration, a drop in annual net accessions from 217,000 persons in 1955 to 134,000 in 1959. During 1960-1963, accessions are expected to return to the very high levels of the earlier postwar years (250,000 persons and over), after which they are to drop to 181,000 in 1964. By 1967, accessions are supposed to fall to only 80,000 persons. If these projections are reliable, they suggest that the rapid recent growth in the supply of labor is a transitory phenomenon that, upon completion, will afford considerable relief for the unemployment problem, provided that over-all growth can be sustained at an adequate rate.

On the demand side, the available evidence suggests plainly that the volume of employment opportunities has not kept up with the growth

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of labor supply. In part this lag arises from technological change in industry. In part, too, it reflects the excessively rapid rise in the cost of industrial labor, both in wages as such and in social security charges. Rising labor costs have encouraged the substitution of capital for labor. In addition, as noted, the high fixed costs attached to each new worker by the social security laws and trade union resistance to lay-offs have encouraged the use of excessive overtime, in place of expanding the number of employed.[13] Thus the running industrial employment sample of the Ministry of Labor shows that between 1948 and 1953 employment actually decreased slightly in manufacturing, extractive industry, and electrical utilities.

The Italian statistics concerning unemployment are not very satisfactory. For the prewar period, they show that registered unemployment began to rise sharply after 1926, when it was 113,000, reaching a peak monthly average of 1,018,000 in 1933. As of 1938, the figure was 712,000.[14] For the postwar period, the new series of the Ministry of Labor shows a rise in total net registrations from 1.6 million in 1946 to 2.1 million in 1948. Moderate declines occurred during 1949-1950, after which the total rose again to a monthly average of 2.18 million in 1953 and 1.9 million for the first ten months of 1954.

The monthly average for the full year of 1953 shows that 1.95 million unemployed consisted of persons who had been employed immediately prior to registration (1.28 million), or who were in search of a first job and were either under 21 years or demobilized from the army (664,000). An additional 235,000 consisted of women at home looking for a first job, pensioners, and persons currently at work seeking another job. The Italian practice is to exclude these last three groups in estimating unemployment. Accordingly, "effective" registered unemployment averaged 1.95 million monthly in 1953, a rise of 20.5 per cent from the average for 1950. For whatever significance it may have, unemployment so defined for 1953 amounted to just under 10 per cent of a labor force of approximately 19.5 million. However, this figure makes no allowance for short-time employment, which is particularly high for agriculture.

During 1952-1953, Parliament had in being an Unemployment Study Commission, staffed by leading experts from a broad array of fields. The findings have since been published in a group of seventeen vol-

[13] According to the Ministry of Labor, 59 per cent of all industrial labor averaged more than forty hours a week in 1948. In 1953 the average had risen to 72.4 per cent.

[14] Confederazione Generale dell'Industria Italiana, *Annuario di Statistiche del Lavoro, 1949*, Rome, 1949, pp. 96-97. The figure for 1938 is from a separate series, prepared by "Confindustria" (*Confederazione Generale*).

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umes, probably representing the most extensive survey of unemployment ever undertaken by any country.[15] Here we can do no more than refer to a few of the highlights of the Commission's findings on unemployment as such.

For September 30, 1952, the Central Institute of Statistics (ISTAT) prepared a sample survey of the labor force, which may be compared with a special revision of the registration statistics, undertaken for the same date by the Ministry of Labor. The sample estimate showed 1.28 million unemployed, of which 47.3 per cent (608,000) had formerly been employed. Of this latter group, three-quarters consisted of men. Sixty per cent of the formerly employed came from industry. Over one-third of the formerly employed had been out of work for over six months. Also, only 16 per cent of this group had gone beyond the elementary schools.

The second group (678,000) consisted of persons in search of a first job. Almost two-thirds of these were youngsters in the 14 to 20-year age group. Forty per cent of the total consisted of women. And for this entire group, over one-third had acquired an education beyond the elementary level.

Comparison of the ISTAT sample estimate with the Ministry of Labor's revised figure for the same date reveals a large difference: ISTAT estimated 1,286,300 unemployed, while the Ministry figure for classes one and two (formerly employed, plus those seeking a first job or demobilized from the armed forces) was 1,535,041.[16] As Giorgio Ruffolo suggests, the difference in aggregate totals can be largely eliminated if the ISTAT figure of 258,800 persons employed less than fifteen hours during the survey week are also counted as unemployed, which would bring the ISTAT total up to 1,545,100 persons. Nonetheless, important differences remain as regards the internal composition of the two aggregates.[17]

Despite these discrepancies, the ISTAT and Ministry of Labor surveys suggest broadly similar inferences regarding the qualitative characteristics of Italian unemployment. First, there is no doubt that the country suffers from a heavy burden of unemployment. Second, this burden of unemployment includes a substantial core of chronically unemployed persons. Third, the total is dominated by a large bloc of

[15] A companion inquiry concerning poverty, consisting of some fifteen volumes published in 1954, was undertaken by the Commission on Poverty and Its Alleviation.

[16] *La Disoccupazione in Italia*, Rome, 1953, I, part 1, pp. 38-39, 96-97. The discrepancy is even larger for the category of unemployed who were formerly employed: 608,500 (ISTAT) and 1,033,673 (Ministry of Labor).

[17] G. Ruffolo, "The Parliamentary Inquiry into Unemployment in Italy," in Banca Nazionale del Lavoro, *Quarterly Review*, VI, No. 24 (January-March 1953), p. 66.

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workers who were formerly employed in industry. Fourth, unemployment is particularly severe for the younger age groups, especially for those lacking educations beyond the elementary level. Many of these have never had a job and are completely unskilled and untrained. And, fifth, unemployment is of similar severity in both the North and the South, relative to population and to labor force.[18]

Unemployment in Italy is too persistent to be considered cyclical. At least in its postwar form, it could hardly be said that it results from a deficiency of total effective demand, occasioned by a vicious combination of oversaving and investment deficiency. There is, in fact, a desperate need for more savings and a broad array of investment uses for them. Nor is there generally present the familiar Keynesian case of a large supply of idle and adaptable capital to go with a large number of idle and employable workers. In consequence, the Anglo-American depression remedies—deficit spending founded upon bank credit, tax remissions, and so forth—are inappropriate to the conquest of unemployment in an economy already under considerable inflationary pressure.

The causes of unemployment in Italy thus lie outside the monetary mechanism. A useful starting point requires recognition of the continued dominance of a large sector of subsistence agriculture, where average productivity and incomes are low, where there is a large surplus of marginally unproductive labor, and where natural increase of population is high. The consequence is considerable pressure upon the urban and industrial labor markets from the side of supply. At the same time, the urban and industrial sectors are restricted in the expansion of labor demand, partly by capital scarcity, partly by the slow growth of the internal market in a society with low incomes, and partly by institutional rigidities in the labor market.

These rigidities are expressed by three forces: too rapid advance in money and real wages, barriers to labor mobility, and excessive social security costs. The level of industrial real wages is relatively low by international standards, and in Italy the prevailing view is to consider them as a social wage, necessary to provide a minimum standard of

[18] However, the rate of unemployment in the South is much higher if the Ministry of Labor figures are applied to the ISTAT regional labor force totals (10.3 per cent in the South, 6.5 per cent in the North). If the ISTAT unemployment estimates are used, however, the difference vanishes (6.3 and 6.6 per cent respectively). More significant, in the South 35.9 per cent of the 1951 regional population participated in the labor force (estimated by ISTAT), as against a participation rate of 45.8 per cent in the North. This suggests that a considerable amount of concealed unemployment may exist in the South, composed of persons who do not attempt to find work because of restricted opportunities.

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family life, and one that should be increased as rapidly as possible. This is understandable in a poor country, but it has its economic costs. For in setting out from a money wage founded upon social justice, the result has been to establish a level well in excess of that possible if all but a fractional minimum of the unemployed are to be productively employed. Insistence upon uniform application of wage standards also curtails employment opportunities in some industries and areas. Thus those now employed in industry can enjoy a higher real wage only at the expense of those who are either unemployed or blocked off in subsistence agriculture. In addition, there are legislative barriers to the migration of workers from the farm to the city, or from one city to another. And, finally, the heavy fixed social security charges, together with the resistance of the industrial unions to lay-offs, operate to prevent the addition of needed new workers in industry, and to encourage the use of overtime instead.

Significant reduction of Italian unemployment turns upon more rapid expansion of the non-agricultural sector, together with improvement of productivity in agriculture as well. However, the increase of employment could be advanced even further if the uniform rigidity of wages and social security costs could be relaxed, and if there were some kind of an interim standstill agreement to check for a time the rapid advance in the money costs attached to industrial labor, at least until physical productivity could catch up with today's high level of labor costs.

III. Prospects for the Future

The postwar experience of Italy suggests two main observations. The country has great vitality and accordingly has achieved a remarkable recovery and expansion of its economy. At the same time, it suffers from a severe burden of unemployment, which appears to be slowly increasing. The persistence of unemployment despite an almost unparalleled rate of growth in production is ominous, especially since this rate of growth has been falling in the last few years. Yet the stability and success of parliamentary democracy are closely linked to effective solution of the unemployment problem.

The Communists and their allies deny that a solution is possible short of socialization of the remaining capitalistic sectors of the economy, coupled to a totalitarian system of centralized state planning, to be carried out by a government modeled implicitly upon those in the Russian satellites. The neo-Fascists make no such proposals but also await a breakdown of democratic institutions. Altogether, these totalitarian groups obtained about 40 per cent of the total vote in the 1953 election.

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This does not mean that 40 per cent of Italy is opposed to political democracy. But it does indicate that there is a large bloc of discontented voters, for whom the present parliamentary system is clearly on trial. Nor is there any doubt that the central issues concern the conquest of poverty and unemployment.

At the same time, the situation makes it extremely difficult to form a stable and effective government. The leading party, the Christian Democrats, does not command a majority and so must barter for support among the smaller parties. *Combinazioni* are an old story in Italian politics, issuing invariably in weak governments, incapable of adhering to strong policies—*immobilismo*, to use an appropriate Italian term. Within the Christian Democrats themselves the matter is made even worse by factionalism centering upon issues of land redistribution, fiscal policy, and the nature and extent of state intervention into the economic order. This usually throws the responsibility for forming governments upon the moderates within the party.

This, in brief, is the political setting within which economic policy has to be conducted and an attempt made to overcome the unemployment problem.

In essence, that problem is to reduce the rate of unemployment to a level now more or less politically mandatory in the industrialized nations of the West—3 to 5 per cent of the labor force. This has to be done without inflation and without exhaustion of the country's limited reserve of gold and foreign exchange. Nor can the task be separated from a substantial shift of employment out of agriculture and into industry and services. In turn this requires heavy net investment, for a nation whose volume of savings and fiscal resources is small, and which cannot count upon extensive investment from abroad.

The ten-year Vanoni Plan (1955-1964) sets out from these basic conditions. It proposes a massive program of economic expansion, to conquer unemployment, to bring the South out of economic stagnation, to reduce the relative dependence of the labor force upon agriculture, to increase income and consumption, and to balance the current accounts in the balance of payments. To do so will require a total gross investment of 35,000 billion lire ($56 billion). It is assumed that gross national income will rise by 5 per cent a year, and that gross savings will average 22.5 per cent per year. Of these total savings, it is hoped to obtain 7.2 per cent (2,520 billion lire or $4 billion) from foreign grants, loans, or investments.

From the standpoint of labor supply, the plan projects a decennial net increase of two million persons in the labor force. To these are added 1,050,000 persons either now unemployed in agriculture (150,000)

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or facing displacement from agriculture (900,000), and 1,750,000 persons either now unemployed outside of agriculture (950,000) or facing displacement from their present jobs outside of agriculture (800,000). Of the 4.8 million persons in all categories, 800,000 are expected to emigrate, leaving a net requirement of four million new jobs to be created within the decade, all of which are to be external to agriculture. If these targets are achieved, unemployment would fall to a fractional minimum of 700,000 persons, or 3.3 per cent of the expected labor force of 20.9 million in 1964.

To create the proposed four million new jobs, the plan contemplates a mixed program of public and private investment whose central feature is the expenditure of 11,270 billion lire in the three so-called "propulsive sectors" of agriculture, public utilities, and public works. Investment in agriculture (3,500 billion lire) is expected to raise output 20 per cent over the decade and, by raising per capita incomes, to enlarge the internal market as a whole. Export earnings are also to be increased, and food imports reduced. Investment in public utilities (4,960 billion lire) would be centered on electric power production, in part to reduce coal imports. Public works would require another 2,810 billion lire, to be applied to roads, flood control and land reclamation, and schools. Outside of these propulsive sectors where a high multiplier effect is looked for, 5,100 billion lire are allocated to housing, to raise standards and to provide for population growth (13 million new rooms). An additional 8,600 billion lire are allotted to industry for net expansion and improvement of plant, equipment, and inventories. This leaves 10,030 billion lire for amortization and maintenance over the whole system. Thus net investment in all forms would amount to 24,970 billion lire (or an annual average of 2,497 billion, which compares with 1,427 billion lire in 1954), while gross investment would total 35,000 billion lire over the decade.

The crux of the plan is to be found in the assumptions that the rise of gross income can be sustained at 5 per cent a year, that gross saving can be raised to average 22-23 per cent a year (the present level is just under 20 per cent), and that the current international accounts can be brought into balance by 1964 through a rise of 60 per cent in exports as against no more than 43 per cent for imports. All these objectives presume no further significant inflation of wages and the price level.

There is some doubt that gross national income can continue to rise at a rate as high as 5 per cent, at least in the absence of foreign grants and investments at a much higher level than at present. It is also doubtful that the rate of gross saving and investment can be expanded as rapidly as the required 7 per cent per year, at least without extensive

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controls over wages, consumption, and imports, coupled to substantial foreign aid. In addition, it is requisite that the world open its markets much more liberally to Italian exports, particularly in the categories of chemicals, machine products, and fruits and vegetables, where expansion of production is most promising. Clearly, therefore, the prospects for success of the program closely depend upon the international sphere: the absence of a world recession, provision of foreign capital in rather large amounts, freer access to world commodity markets, and continuing acceptance of at least 80,000 emigrants each year.

It must also be observed that, strictly speaking, this is not a free enterprise program. Probably more than half the contemplated gross investment is to be undertaken by government, while the allocation of investment by economic sector and by geographical area is to be directed according to a global plan. Moreover, the plan implies state guidance of production, as to output of consumption and investment goods, and state control of imports and exports. Yet it must be acknowledged that Italy actually does not have a thoroughgoing private enterprise economy today. The state already operates most of the railroads and public utilities and since 1933 has acquired many industrial firms—for example, in iron and steel production, shipbuilding, and machine products. Against this background, the contemplated broad program of state control proves less surprising, granted that serious doubts will remain regarding the wisdom of the over-all approach.

It can also be conceded that there is a strong case for various types of state intervention where the basic problems are so pressing. To illustrate, private initiative has not been effective in overcoming the stagnation of the South, where an adequate and creative middle class is not to be found, and where available capital is very limited and investment risks unusually high. State investment in resource development, schools, flood control, transport, and communications is far more likely to supplement than to displace private investment. Through public investment of these types, economies external to the private firm can be created that will permit lower costs and enlarged markets, raising per capita incomes and calling forth new forms of private investment. In this way, the South could develop a more adequate division of labor, and by reciprocal action the industrialization of Northern and Central Italy could be extended even further.

Concededly, there is a good case for supplemental state investment of this general type. There is equally good ground for anti-trust legislation, to break up the country's traditional system of cartels and price-fixing. At the same time, the character of much long-existent state intervention needs drastic revision. Legal obstacles to private foreign

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investment in Italy ought to be removed. Protectionist policies for agriculture and industry have worked to decrease national income and clearly call for reversal. Existing laws which, by various devices, restrict the migration of southern labor northward require revision. The unemployment, low productivity, and low incomes of the South ought not to be attacked in isolation. There is need for internal redistribution of the country's human resources. Otherwise there is a strong possibility that a hermetically sealed "development" program will emerge for the South, creating a group of inefficient enterprises whose survival would call for even more damaging forms of protection.

Moreover, the Vanoni Plan implies a high-pressure program of savings, investment, and industrialization—based upon a rate of capital formation that is probably far too high. This carries an inflationary threat that in turn would lead to a further proliferation of the extensive array of direct controls already contemplated. Even larger deficits would be likely on current international account, which would lead the planners to even more drastic autarchic policies. The postwar experience of other countries resorting to this kind of planning offers a warning, rather than encouragement, for the outcome has been lower consumer standards, increased economic inefficiency, and a decline of private incentives. These implications of course do not limit Italy to the single alternative of a do-nothing policy resting upon unlimited and blind reliance upon the market. But they do suggest that not all forms of state intervention are equally desirable, and that the Vanoni approach may create more problems than it is intended to solve.

Though many doubts remain regarding the wisdom and practical prospects of the Vanoni Plan, the fact that it has been seriously proposed is nonetheless encouraging indication of the vigor and spirit of modern Italy. Clearly, the country is now in a mood to confront its persistent and difficult problems and to rely mainly upon its own efforts to resolve them. Tangible proof of the great viability of the Italian economy, despite all of its handicaps, can be found in the impressive recovery since 1945, a recovery accomplished under democratic institutions. All this is, of course, only consistent with the great vitality and creative power of the Italian people, who have contributed so much to the culture of the Western world during the past two thousand years. Though the rate of progress envisaged under the Vanoni Plan is probably excessive, the outlook is nonetheless encouraging that deep-seated economic difficulties can at least partially be overcome in the coming decade, particularly if Italy's sister nations do their modest part. Surely it is in the interests of the West that she succeed.

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SOME POLITICAL AND TECHNICAL IMPLICATIONS OF DISARMAMENT

By STEPHAN BERNARD

THE problem of disarmament can be studied under two principal headings: that of politics and that of the technique of control.

From the standpoint of general politics, disarmament is linked to every aspect of the cold war, since it appears to be the essential condition to any real reduction of international tension. From the technical standpoint, disarmament raises a host of special difficulties which it becomes necessary to examine, if only to appreciate fully the broad ramifications of the subject.

The difficulties inherent in both aspects of disarmament will be examined successively in the two main sections of the present study. But a preliminary step is to locate the problem in its actual political context. The world has changed in the last three years. And it is important to determine the nature of these changes, for, if they are not taken into account, it will be impossible to formulate the considerations that are relevant to the problem of disarmament as a whole.

I. Recent Developments in the International Situation

Less than three years ago, the Communist bloc, of which the USSR was certainly the leader, followed rigidly the line of foreign policy laid down by Stalin at the end of the Second World War, while inside the bloc itself the demands of industrialization and reconstruction provoked tensions between the population and the regime and, in certain cases, between the Soviet Union and its satellites—tensions which appear to be one of the distinctive traits of contemporary communism.

Meanwhile, the Western allies, under pressure at every point along their defensive perimeter, defended themselves by means of local conflicts and conventional military measures based on an unquestioned superiority in nuclear armaments. This superiority appeared to everyone as the main trump card of the democracies.

In Asia, the wars in Korea and Indo-China were running their course. Incapable of imposing a decision for reasons that were primarily political, the Western powers nevertheless showed themselves capable of containing their opponents in these two theaters of operations. The same was true of Great Britain in the less spectacular but no less important battle that she was fighting in Malaya.

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In Europe, where the problems of defense and economic integration were the primary preoccupations, the military infrastructure was taking form at the same time that the first common market of the continent saw its institutional arrangements come into operation. Meanwhile the EDC, weighted down by the mortgage of German rearmament, was already causing difficulties on the European political agenda. Such, in a few words, were the salient characteristics of the cold war in the era of Stalin.

The death of the Soviet dictator and, shortly thereafter, the proclamation of a large-scale political amnesty, the liquidation of Beria, and the disciplining of the secret police initiated by Malenkov, marked the beginnings of a change of political orientation which is still going on at the present time. More than the shift in personnel, it is the connection between the new relaxation in internal affairs and the evolution of Russian public opinion that must command attention. As an American observer said at the time, the corpse of Stalin was still warm when his successors began to change everything in the country. In reality, the change occurred so rapidly only because public opinion demanded it. No regime can simultaneously expand the national territory, conduct a social revolution, improve slowly but progressively a standard of living that has been traditionally low, and perpetuate a system of political terror. Revolutions are built on a basis of terror. They terminate with the liquidation of the terror and the return of a more tolerant form of government. In this respect, and viewed in perspective, the Russian revolution is entering its final phase, that of the consolidation of the system. The reign of public opinion in Russia has begun. Indeed, such is its role that no one has dared to touch the head of Malenkov since he, in his turn, has relinquished power. His successors know that they would risk both their lives and the regime if they executed the very man who struck the first blow at political terrorism and promised the Russian people something more than happiness in an indefinite future. Despite their differences, Khrushchev himself today appears to be much closer to Malenkov than to Stalin, even though he may have deposed the former and declared his allegiance to the latter more or less openly.

On top of these other changes came Malenkov's announcement to the Supreme Soviet that the Soviet Union had produced a hydrogen bomb. The disappearance of the Western atomic monopoly at the very moment when the West finally believed itself ready to negotiate from a position of strength is important more for its long-range political implications than for its immediate military bearing. For the accession

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of the USSR to the ranks of the great atomic powers has, by putting the two blocs on a footing of equality, radically modified the terms of the political problem.

While the internal situation of Russia was evolving, Communist China, starting on the Soviet path with the assistance of the USSR, put a population of 500,000,000 into the balance in the struggle over the industrialization and control of Asia. As a result of this act, the West, which had hoped to gain a respite from the Chinese problem, finds itself only seven years after the fall of Chiang Kai-shek with a second USSR on its hands.

Within this changed environment, events have moved at an accelerated pace. In Asia, a first result has been the Korean armistice, probably owing to the slight hardening of American policy in this region which followed President Eisenhower's election.

This first armistice was soon followed by an Indo-Chinese armistice and by the partition of Indo-China, a diplomatic and military solution that accorded perfectly with the positions of the two adversaries, neither one of which was in a position to force a decision without the risk of igniting a global conflict.

There followed the Chinese threat to Formosa, which was thwarted by the deployment of the American Seventh Fleet in the China Sea. This countermeasure must be listed purely and simply as one in the series of blocking actions that the United States has instituted against Soviet expansion since 1945 in Iran, Greece, Berlin, and Asia. The new element is not the American response but the extreme caution shown by both sides in the course of this particularly delicate passage at arms. In a world saturated with weapons of frightening destructive power, the great powers have begun to show a visible propensity for prudence.

In Africa a new theater of operations has been opened to the detriment of Europe. The situation in Tunisia, Algeria, and Morocco has proved once more that it is impossible to govern men effectively without their consent, except by military means that are ruinous in cost and incompatible with the normal exploitation of the resources of the region. Terrorism, the weapon of the weak against the strong, has already endangered the foundations of European rule in Africa. If Europe were to lose effective control of the dark continent at the very moment when communism is tightening its grip on Asia, a crucial battle would be lost by the West.

As for Western Europe, it is above all by the evolution of her internal problems that she has attracted the attention of the rest of the

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world during the past three years. The defeat of EDC, its replacement by a solution that salvaged the essential objectives, the entry of Germany into NATO, the reunification of Austria, the state of preparedness attained by European rearmament—a fantastic structure whose solid reality no one seems able to appreciate—the stagnation in the movement toward economic integration: all these events suggest that the problems of Europe as well as of the world have reached a point where negotiation between East and West has become the order of the day. More specifically, so far as European rearmament is concerned, its relative insufficiency helps rather than hinders the negotiations that are in progress. Europe actually possesses the infrastructure for a large army of which only certain elements are ready. The threat of seeing the European army grow up to its infrastructure, in the event that the negotiations fail, represents a more effective and less dangerous diplomatic argument for the West than a vast military establishment ready to enter the line.

This should not be taken to mean that any major political difficulty has been resolved as a result of recent changes. But the Western system has become stabilized. Despite their efforts over the past ten years, the Communist powers have broken into that system only in China. Despite its areas of weakness, and they are numerous, the West is obviously too strong to be nibbled at without danger. Consequently, the Communists will either have to march forward at the risk of a major conflict, or put an end to the tension which makes sense only so long as they are determined to seek expansionist objectives. It is more than probable that they will not undertake military action at least for as long as the present negotiations have not collapsed. The world thus holds its breath as it attempts, for the first time since the war, to renew the dialogue between the great powers. Only after the first milestones have been passed will we know whether the Communist powers have chosen peace or war, a détente or an armaments race, and if the choice is peace, what kind of a peace it will be.

Among all the factors that have been mentioned, the equalization of atomic potentials appears to be by far the most important. Indeed, the Soviet Union and China more than ever have the political initiative. But they can enjoy it only by bringing about changes of a considerable magnitude in the world, whether for good or for bad. This may mean that the Communist bloc will no longer accept the risks connected with starting local wars similar to those in Korea and Indo-China, which would suggest an understanding that war may be less advantageous than peace for a regime in difficulties with a public opinion in the

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process of becoming a major political force. Or it may mean that the bloc will regard itself as sufficiently strong to resume the process of local conflicts, banking on the horror that democratic opinion has of atomic war; that it will revert to the policy of fractional political aggression in a world confused by German rearmament, the breakdown of negotiations, and the rapid development of armaments of all kinds.

It is clear that the decision of the Communist powers will depend in part on the manner in which the West maneuvers and on the concessions that it shows itself ready to make. In other words, the problem has not changed in form in the last ten years; it is simply that the moment of choice has arrived.

II. The Political Aspects of Disarmament

Whatever the future may hold, a general settlement of the cold war by the liquidation of the German, Indo-Chinese, Korean, and other problems presupposes more than diplomatic solutions; it implies among other things a system of bilateral guarantees, among which controlled disarmament must necessarily obtain first priority.

Although it is impossible as a rule to foresee the development of a political situation, it had become practically certain, well before the opening of the Geneva Conference, that the negotiations to come would center on the search for a general settlement of the cold war. Even then, it was probable that the East and the West either would not negotiate seriously, or, going to the other extreme, that they would proceed to seek a global solution to the problems at stake, which would automatically lead them to raise the question of guarantees and force the issue of disarmament to the forefront of their preoccupations. The Geneva Conference conformed to these expectations, for if it did no more than raise the problems of the cold war, it raised them in all their generality and within the context of disarmament.

Academically speaking, the difficulties thus are exactly the same as they were three years ago. Politically speaking, however, the character of the problem has changed completely: first, because, as a result of Russian progress in the development of nuclear weapons, the West has lost all possibility of negotiating from strength to impose on the Communists a settlement of the cold war; secondly, because the opening of negotiations dealing with the fundamentals of East-West problems became necessary once Austria had been reunited and Germany had entered NATO, whereas previously negotiations depended on quite hypothetical eventualities; and thirdly, because, as matters now stand, notably in respect to the German problem, it has become absolutely essen-

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tial for the West to avoid appearing responsible for any breakdown of the negotiations, a condition which requires it to gain enough maneuverability so as to force the Russians to say yes or no to solutions capable of maintaining the unity of Western opinion.

The first point does not call for much comment. In losing its quasi-monopoly in the nuclear field, the West has lost the position of strength that it previously held. Thus, no agreement is possible, and obviously no control of armaments is possible, unless the Communists decide of their own free will, for one reason or another, that the principles involved are acceptable to them. Neither in the area of particular political problems, nor in the more general realm of disarmament, does the West have the initiative. Of course, it does command a certain minimum of diplomatic initiative, since it is always feasible to advance proposals for a settlement and oblige the adversary to state his position on them; but this margin of maneuver is very strictly circumscribed. Only the Communist powers are actually in a position to harden or soften their policy significantly. And this means that, since the West cannot control substantive matters on its own initiative, it is in the area of *proposals* for a settlement that it must be active if it does not wish to be outmaneuvered by its opponents in the debates that have begun.

The second point is much more important. The possibility of an international negotiation bearing on the heart of existing problems has been for a long time a matter for discussion by specialists only. Today, however, the possibility is in the process of becoming a practical reality as a result of the Geneva meetings, recent developments in world politics, and particularly the accession of the Bonn republic to sovereignty based on an international treaty which integrates it with the West in order to rearm it against the East. The question of German unity has now been presented in concrete form before world opinion for the first time since the end of the war. Indeed, the more one thinks about the problem, the more one is obliged to conclude that a settlement of the cold war depends on the resolution of the German issue. Of course, there are other dangerous situations along the iron curtain, but all of them are susceptible to settlement on the basis of the status quo. If all of Germany had been occupied by the West in 1945, we would be faced only with relatively minor problems today. In Korea, as in Indo-China and Malaya, the Western powers could hold their ground indefinitely. In fact, if a general détente were possible, the East and the West could even resolve their differences on the basis of their current military positions. Neither the division of Korea, nor that of Indo-China, is enough by itself to prevent a general settlement.

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The German problem, on the other hand, is quite a different matter. The division of Germany leaves in suspense the whole question of the kind of Europe that is to emerge in the future. And it does so in a political context such that, whatever the intentions of the two adversaries, they will be incapable, under present conditions, of reunifying Germany on terms that would be acceptable to all the interested parties. This is so, first of all, because the evolution of the German problem will depend as much on German opinion as it will on the wishes of Germany's neighbors. And it is also the case because neither West nor East can seriously envisage neutralizing a unified Germany on the Austrian model so long as the cold war continues, even though there is no other theoretical formula for reunification. It has been amply demonstrated that the West cannot risk accepting this formula in the middle of the cold war, for any further aggravation of international tension might lead, by one subterfuge or another, to the incorporation of a reunified Germany in the Eastern bloc. But it has not been sufficiently noted that an aggravation of the cold war, following upon the neutralization of Germany, would be just as dangerous for the Russians as for the West. For if Germany were to feel endangered in her delicately poised position, she would be far more tempted to gravitate toward the West than toward the East. This would leave the Russians with the choice of accepting a *fait accompli* or of intervening militarily in the face of a Western veto. In fact, when the matter is carefully considered, it appears that the game of neutrality would be far more dangerous for the Soviet Union than for the West. From this it follows with reasonable certainty that the Russians will not develop a seriously intended German policy so long as they have not decided to reduce the cold war on all fronts. But the diplomatic situation is no less delicate because the trumps are in Russian hands. If they have decided to improve the international situation, they will propose the reunification of Germany. If they choose to continue the cold war, they will very probably suggest the same solution, but in such a form as to make certain that their opponents will not only reject it, but also reject it at the risk of alienating the Germans. There, in fact, lies the danger. The Austrian precedent has shown that nothing is simpler in appearance than to reunify a country divided by the cold war on the condition that it accepts political and military neutralization. It is probable that the USSR only signed the Austrian peace treaty in order to secure a springboard which would permit it to reach the German problem under the most favorable possible conditions.

And this raises the third point: how can the West parry this threat

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if it obstinately clings to a formula of reunification that is nothing more than a *ruse de guerre* and that in effect requires the Russians to permit a reunified Germany to integrate itself with the West without condition after elections which could only bring to power a government favorable to the Atlantic coalition? If Germany is to be reunified, a price must be paid, and this price can only be the political neutralization of the country—a formula which consists, in effect, of giving Germany back to the Germans so that she will belong to no one else.

It must also be appreciated that Western statesmen went to the Geneva Conference because of the pressure of a European minority hostile to the official policy of the democracies rather than because of any desire to sound out Soviet intentions. This political minority in Europe consists of the German socialists and the varied sections of continental opinion labeled "neutralists." The label, incidentally, is not well chosen. It would be more appropriate to substitute for it the title of "moderates," since, except for the Communists, there is really no group in Western Europe that can be properly called neutralist. The position of this minority of European moderates in effect is that the present German policy of the democracies is based on the worst variant of the future, and that, without being intrinsically mistaken, it will become acceptable only in the event that a last-chance series of conferences demonstrates that the achievement of a stable *modus vivendi* with the Communists is impossible.

Responsible proponents of the Western position have always replied to this that conferences of such a character would be possible only after the treaty rearming Western Germany had been ratified. But this reply does not end the debate. What would be serious would not be to rearm and integrate Western Germany in the Atlantic coalition in default of a better alternative. It would be to refuse obstinately to envisage an alternative to this policy, whatever the concessions made by the East. Officially, the West has always refused to formulate a more flexible policy on this score; and today, at the very moment when the future is taking shape, it still seems incapable of doing so.

For ten years, in fact, Western statesmen have made the mistake of systematically ignoring the views of the European "minority" on matters of foreign policy. It is true, of course, that the essence of democracy is majority rule. But it has always been implicitly understood that on matters of constitutional importance, the majority should make a great effort to win the minority over to its views. And questions of foreign policy are certainly constitutional matters for the West. The complete contempt for what may be called, from this standpoint, the political

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minority has been translated into a grave weakening of the political cohesion of the democracies. More than any other problem, that of Germany continues to divide them. If the East-West conversations collapse—something that seems unlikely to happen over the short run, at least—a great effort could be made to rally the German Socialists and the French "neutralists" to a common democratic policy based on European integration. Everyone realizes that, if the USSR were responsible for wrecking the talks, the SPD would no longer be able to maintain its neutralist position—which, incidentally, has been undergoing a considerable evolution as a result of Mr. Ollenhauer's recent stand against neutrality and the formation of political blocs. It should thus be possible to win over those who have always opposed German rearmament with the argument that, before taking this step, it will be necessary to talk with the Russians and discover their true intentions. But in order for this maneuver to succeed, it will be essential to negotiate in good faith and give the impression that a serious effort, based on a real willingness to bargain, is being made by the West to save the peace.

It will certainly be argued that we cannot follow two entirely different policies at the same time, that the policy of integration and German rearmament is incompatible with a policy of reunifying that country under circumstances of neutrality. But this argument really misses the point. Incompatible in the immediate sense, these two policies are not really so unless one considers them as extreme and mutually exclusive alternatives. The fact that war is incompatible with peace does not prevent us from making war in order to obtain peace. And when the balance of forces makes it impossible to reach a decision by military means, which is the current state of affairs in the world, it becomes necessary to make known the conditions under which we are prepared to consider restoring the peace. The paradox now is that while the democracies may yearn passionately for an end to the cold war, on the German question they are following a policy that is inconsistent with this objective. It is quite normal that the Russians should refuse to reunify Germany so long as reunification will lead to the absorption, without compensation, of Eastern Germany into the West. It is equally normal that the Western powers should refuse to change their German policy so long as a satisfactory system of international security has not been organized. But what is not normal is that these same Western powers should refuse to make known on what conditions of security they would be disposed to change their German policy and negotiate, at the very moment when the bankruptcy of their ideas runs the risk

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of alienating Germany and making the West appear, in the eyes of German opinion, primarily responsible for the division of the country.

Is there then at least a theoretical way out of this impasse? A statement of the problem leads to the following four points: (1) the reunification of Germany is impossible so long as the cold war continues; (2) the reunification of Germany within the framework of a general settlement of the cold war is conceivable only on a footing of political and military neutralization; (3) any settlement of the cold war covering the reunification of Germany presupposes the progressive reduction and control of armaments on a world-wide basis; (4) the evolution of Russian policy and the pressure of a portion of Western opinion brings inexorably closer the moment when the democracies will be forced to declare their hand and embark on a detailed negotiation of the key international problems.

The democracies must therefore find a way of making concessions, *without danger*, on the very essence of the German problem in the face of an opponent who holds the initiative and is in a position to put his cards on the table.

The key to the resolution of the problem lies in world disarmament, for if the political neutralization of Germany is acceptable to the West only in a reconciled and disarmed world, nothing prevents the West as of now from accepting the principle of neutralization, so long as it is understood that it will not become operative until the precondition of disarmament has been fulfilled.

In other words, if the world is unready either to reunify Germany or to settle the cold war, it does seem prepared to discuss a conditional settlement of the German problem and other issues of the cold war, the condition to be fulfilled in order for the settlement to become effective being controlled disarmament.

If this is the case, there is no reason why the West cannot take the initiative in putting the neutralization of Germany on the agenda of the negotiations, it being understood that the decisions eventually reached by the various conferences will become effective only at a definite stage in a process of disarmament worked out at the same time, and that, in addition, nothing in the actual policy of the West will be changed so long as this condition has not been fulfilled.

It is true, of course, that no sooner did the idea of the political neutralization of Germany seem appropriate to the occasion than Mr. Dulles formally opposed it. But this recent statement of his was a declaration of principle in anticipation of the opening of negotiations, and it hardly alters the fact that there is no other technical solution to

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the German problem than political neutralization. This, in fact, is precisely what Mr. Walter Lippmann has so well conveyed in his own variation of the same formula. He writes, ". . . the best reply the West can make to the developing Soviet diplomatic campaign is not to reject the idea of a neutrality belt but to ask that it be widened." And he adds, "In the great diplomatic encounter which is now beginning let us not hobble ourselves with our own fixed notions. Let us not give the Kremlin a free field and the initiative, while we stand by beating our breasts and crying out that we are being enticed and ensnared by those oh-so-much-too-clever Russians" (*New York Herald Tribune*, May 17, 1955). It is up to the Americans alone to decide whether their statesmen deserve this criticism; but a European may be permitted to say that the ministers of foreign affairs of Western Europe certainly merit it. Moreover, the fact that President Eisenhower recently seems to have considered the possibility of a neutralized Germany with enough seriousness to disturb Chancellor Adenauer makes it within the realm of possibility that, despite official denials, the idea of a neutralized Germany has not been completely abandoned by the Western leaders.

A provisional solution along these lines would have, among other advantages, that of being acceptable to Germany; of improving, in the event of Soviet rejection, the cohesion of the West and demonstrating to the European minority that an agreement with the East is impossible; and of reinforcing considerably, by the same token, the *current* German policy of the democracies which, if the Russians refused to negotiate seriously, would then appear as the only possible alternative.

In this way, the West would achieve the objective that ought to be paramount in existing circumstances: that is, an attempt to oblige the Communist powers to state their position on an acceptable formula for an international settlement, so that in the event that negotiations are successful, peace would be in sight, and, in the event of a breakdown and a further increase in tension, unity of action among the democracies would be assured in all those parts of the world where the United States can act only with the moral and material support of its allies. It remains to be seen, however, whether this theoretical solution is practicable.

There are two schools of thought on this question. The members of the first no doubt will claim that the West, because of its political structure, is incapable of taking diplomatic initiatives which involve a significant departure from existing policies. What this amounts to saying is that although the West can *react* to Communist initiatives, it cannot itself take the diplomatic initiative. The members of the second

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school will argue, on the other hand, that although Western statesmen enjoy only a reduced area of diplomatic initiative as a result of the contradictory political pressures that operate within their own systems, this area is nevertheless large enough to permit them room for maneuver in the matter of German neutralization.

If the first school is correct, we must wait until the Soviet Union takes the first step and think about it afterwards. But, if this should be the case, all analysis of the international situation would be useless. If the West is so firmly riveted to its existing policy that it cannot envisage another, then there is nothing for it but to follow the original plan, whatever the consequences. If, on the other hand, the West acknowledges that it has a certain freedom of maneuver, its objective must be to anticipate the Russians and to act in such a way as to deprive them of the initiative and nip in the bud their own possibilities of maneuver, which are considerable. Thus, the theoretical solution that was suggested is also the only practical one. *To repeat, if it is too early to dispose finally of the German problem and too late to refuse to negotiate, there remains only the possibility of arriving at a conditional settlement aimed at clearly defined eventualities.*

It is, in fact, the assumption of this article that the second school of thought is the sound one. The possibilities of maneuver open to Western statesmen are restricted but not non-existent. And, in politics as in war, one must know how to maneuver. In one sense, moreover, the circumstances have never been more favorable for the adoption of a clear-cut position. For Mr. Malik, in making his proposals of May 10 before the United Nations sub-committee on disarmament in London, has already exposed a flank to maneuver. In explicitly linking the German problem to the problem of disarmament, and the problem of disarmament to that of overseas American bases, the USSR has implicitly acknowledged that the three problems are inseparable. It is true, of course, that the Soviet Union is still far from showing her hand on Germany and that her proposals for the withdrawal of troops are no more than preliminary bait. But in making disarmament proposals that are at once concrete and seemingly compatible with Western views on essential points, the Soviet Union has taken a definite step forward. It must be asked what, under these conditions, is to prevent the West from accepting the principle of the eventual neutralization of Germany if the signature of any future peace treaty is made dependent on the prior completion of the disarmament process suggested by the USSR, or of some other comparable procedure.

Today, as yesterday, disarmament remains the key to the interna-

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tional problem because it alone provides both East and West with enough security to permit them to reverse their existing policies without jumping into the unknown. *In the immedate future, it is less a matter of settling the cold war than of finding a formula that will permit the two adversaries to resume political discussions without being paralyzed by the fear of seeing themselves outmaneuvered.* It is this which again today—and today more than ever—makes for the exceptional political importance of controlled disarmament.

III. The Technical Aspects of Disarmament

Assuming that the political obstacles have been overcome and the two adversaries agree on disarmament, there remains the problem of how, by what sequence of measures, and by what series of balanced concessions, they are to achieve this objective while managing at every stage, and each for his own part, to retain control of the situation.

It would be impossible, within the compass of so brief an article, either to analyze in detail the range of technical issues connected with this second aspect of the problem, or to review the history of the successive and, until recently, contradictory positions which have been occupied by the Western and Soviet members of the United Nations Disarmament Commission. Consequently, it will suffice here to formulate several very general principles of procedure, leaving the discussion of the strictly technical solutions where it belongs, in the hands of the experts.

The principal difficulties that will have to be surmounted relate to the lack of symmetry in the military dispositions of the two camps, to the risks attached to the implementation of even a controlled system of disarmament, and to the problems that are always inherent in any process of control.

The lack of symmetry in the Western and Communist military dispositions is so striking that at first glance it appears to make the problem insoluble. The difficulty obviously results from the fact that the reduction of any particular type of armament to a common level does not necessarily reduce the military potentials of the two blocs in the same proportion. It has already been observed that the destruction of atomic weapons would leave the West disarmed for all practical purposes before the superiority of the Communist powers in conventional forces. Similarly, the demobilization of the American navy would not prevent the USSR from continuing to dominate the network of strategic routes that bind it to Europe. A situation of this character generates innumerable difficulties, for it seems impossible to reach a balance be-

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tween naval and land forces, aviation lanes and land routes, atomic weapons and infantry divisions, the human factor and the technical factor.

As for the risks inherent in the effective implementation of a system of disarmament, it may be said, for purposes of analogy, that a power on the point of disarming is in the same position as a student paratrooper about to make his first jump: he has been told that everything will go well, his reason tells him that the act is necessary, but his instinct for survival reacts as though everything were going to go very badly indeed. In political matters, the survival instinct is still more dominant. The eventuality of an atomic war may evoke a most fearful picture, but at a distance. Taking an immediate risk, whatever the long-term benefits, paralyzes those in positions of responsibility. Raising ten divisions and risking the lives of 100,000 men for what looks like a legitimate objective is easier in politics than disarming a single division if this decision has the character of a leap into the unknown.

There remains the difficulty of determining efficiently the actual state of disarmament in any given country. It finds its classic illustration in the ease with which Germany circumvented the Allied commissions of control after the treaty of Versailles. In this respect the techniques of inspection have not progressed very far and man, with his eyes, remains, as he always has been, the most effective instrument of control.

These three obstacles are very serious indeed. The first, by itself, would prove insurmountable if the far greater value of atomic weapons relative to other types of armament did not have the effect of largely compensating for the superiority of the Communist powers in men and conventional military factors—all of which, paradoxically, puts the two blocs in a position to reduce their conventional armies very sharply without running any major risks. In other words, the almost perfect immunity which the possession of atomic weapons confers on the great powers at least permits them, if they so wish, and without serious risk, to stop the conventional arms race as a preliminary to the softening of their reciprocal political demands. Disarmament will either start with conventional armaments and proceed by stages under the umbrella of atomic weapons, or it will not start at all. In this respect, the fact that in its latest proposal the USSR has, for the first time, accepted the principle of a preliminary reduction in conventional armaments is certainly encouraging.

Assuming, then, that this first obstacle could be overcome, there would remain the problem of finding a procedural formula that would dissipate, or at least reduce seriously, the fears and uncertainties which

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are necessarily associated with the implementation of a disarmament scheme. Here, it would seem that the only way of dissipating these fears would be by accepting frankly the principle of the reversibility of the procedure. In these most delicate of matters, no power will agree to take a step forward if it is unable to return to the previous state of affairs without this retreat being interpreted by the other party as a threat. For states can commit themselves effectively to this kind of action only to the extent that they feel free to withdraw from it. This is why it would be quite useless and dangerous to bind them to such a scheme by compulsory clauses. In an atmosphere of coercion, a setback to a disarmament scheme would be most serious precisely because it would be taken to be the equivalent of a violation of an international treaty. Such a setback would appear far less serious if it were accepted, from the start, as an eventuality likely to occur in any event. Let us assume, for example, that A, B, C, and D are the successive stages in a disarmament scheme. The optimum formula, applicable on this supposition, would be to acknowledge at the outset that the passage from stage A to stage B would automatically be canceled if, in the time allotted, the passage from B to C had not occurred, and so on. A procedure of this kind presupposes the existence of three conditions: first, a disarmament program that is well balanced through time; secondly, a strict scheduling of the different phases of the program; and thirdly, the possibility, open to each of the contracting parties, of returning to the previous phase in the event that the next scheduled phase has not been fulfilled within the allotted time.

As an example, although it may not be possible to imagine the West and the Soviets finally withdrawing their military forces in Europe to less advanced bases, it is possible to see them engaging in a symbolic withdrawal on the understanding at the outset that the troops will resume their original stations in the event of a subsequent halt in the program.

As for the difficulties connected with inspection and control, they increase as the control system covers the entire globe and, from the standpoint of the democracies, all of Russia and China. But here again, the problem appears less intimidating from close up than from a distance. Whatever the difficulties of control, every military establishment has certain aspects which are relatively easy to inspect. These might be: the degree of manpower mobilization engaged in by the opponent; the way in which he has concentrated his military manpower in relation to certain vital areas; the activity and degree of readiness of these forces; and the condition of the dumps in which the equipment of

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demobilized units has been stored. Knowledge of the location, and inspection of the activities, of atomic plants and the systematic accounting for of materials made available for the pacific uses of atomic energy will provide enough information so that the maintenance of this system would be psychologically and practically incompatible with preparations for war. These, then, are precisely the elements that are most important from the standpoint of control.

As we know, the physicists now believe that the possibility of exercising controls over the production of atomic armaments already belongs to the past. But this new fact does not destroy the possibility of constructing a system of security in which everyone can have confidence. Atomic weapons by themselves do not constitute a real danger so long as all the great powers possess them. Once the world is disarmed in the categories of conventional military means and psychological warfare, it will matter very little that each chief of state possesses a small suitcase containing enough fissionable material to blow up the world. Atomic bombs are dangerous only when they are in a political and military situation which threatens war. Change the situation, and they no longer represent a serious threat.

In the light of this analysis, it is difficult to consider President Eisenhower's proposal for the reciprocal photographic control of strategic areas as anything more than a propaganda move, clever enough, but inacceptable for a number of reasons.

No one can doubt that the secrecy that covers the exact location of Russian strategic facilities is an essential element in the security of the USSR. In accepting the proposal, the Russians would have made a concession impossible to reciprocate, since they already know the location of vital American installations. Thus, they would have made an irrevocable sacrifice in a sphere vital to their security, and would have practically abandoned their position of strength without any political problem having been previously resolved. Under these conditions, their refusal was foreordained.

Admittedly, a general agreement on disarmament would in the last analysis have to contain a system of reciprocal photographic control over strategic facilities. But it is impossible to start with so portentous a step.

The danger of the American proposal lies in the fact that the Russians can legitimately claim that it was intended far more to put them in an unfavorable light before Western opinion than to contribute seriously to the progress of disarmament. Perhaps Western diplomacy would have been more realistic if it had proposed a limited measure of con-

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trolled disarmament in the area of conventional weapons—a measure which could have served as the prelude to an agreement on European security—for in this direction there were certainly some possibilities that were not explored.

The recent announcement of the Russians that they are reducing their armed forces by 40,000 men is not any more encouraging. Under existing circumstances, any initiative of this sort is bound to be interpreted as a propaganda maneuver directed at foreign opinion over the head of its government; consequently, it weakens rather than strengthens international confidence. Indeed, progress toward disarmament will hardly be made except by means of a permanent mixed commission, either Soviet-American or multipartite, which would have the power to examine critically and in closed session the initiatives taken by the powers before they are made public. The United Nations probably remains too much of a general sounding board to be able to play such a role. But, whatever is done in respect of organization, it must be remembered that any offer of disarmament will achieve its goal only to the extent that it inspires confidence in the other side. This simple proposition should, in fact, govern the formulation of all proposals for disarmament.

In this connection, we must become accustomed to the idea that disarmament, even if controlled, will never be entirely foolproof. Nuclear materials designed for peaceful use can always be converted into bombs in a relatively short time, and their systems of delivery, whatever the type, can be placed in readiness with an even smaller delay. But these possibilities will be equally open to both sides. The powers will not disarm unless they really want to; and they will remain disarmed only so long as nothing drives them into rearmament. It is precisely because of this that there is a chance of disarmament some day becoming a reality; for if rearmament were not always by definition a readily available alternative, only the most naïve spirits could imagine the possibility of disarmament.

IV. Conclusions

The exigencies of a highly condensed and simplified argument have necessitated a line of reasoning, and an initial hypothesis, stripped of complications and shadings. The problem of peace obviously cannot be reduced to the alternative: immediate and complete disarmament, or the status quo. Even a détente can only be realized step by step: first, by an end of the propaganda war, by the resumption of certain economic and cultural exchanges between the two blocs, the acceptance

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by the Communist governments of food relief from the West, and the controlled conversion of certain war industries to pacific uses, followed by the relaxation of strategic dispositions in Europe and the Far East, and only thereafter by the first measures of demobilization and reduction in the realm of conventional arms. Settlement of the great political problems, itself a step-by-step process, must await and be subordinate to the process of disarmament.

Disarmament may bring peace, but not in a day. The step of first priority will be to engage in a psychological demobilization, for dictatorships as well as democracies depend upon public opinion; and once the Communist peoples have had a taste of peace, their leaders will find it difficult indeed to return to the cold war and austerity. In fact, we must involve the Communist leaders in negotiation at least as much because of Russian public opinion as because of Western needs and demands. Here perhaps is the key to a successful outcome of the process that is now under way.

If the obstacles are numerous, the reasons for hope are encouraging. This is so, first, because controlled disarmament more and more appears as the only real remedy to the fantastic danger which nuclear weapons present to great and small powers alike. It is so, in addition, because the policies of austerity which are inseparable from the current arms race appear to be accepted more and more grudgingly by the Russian people. There is, indeed, a possibility that their leaders, having begun to show visible concern in the face of the desire of the Russian people for a higher standard of living, will resign themselves to ending the arms race, provided that the West, for its part, proves willing to strike a bargain on mutually acceptable terms.

With this, on the whole, encouraging background, it is possible to summarize the preceding argument in the following proposition: (1) The problem of the cold war has changed only in respect to the balance of forces, and the issues to be resolved remain largely what they were three years ago. (2) The German problem remains at the very center of the cold war. (3) The reunification of Germany is conceivable only under conditions of political neutrality. (4) Since a dangerous military vacuum cannot be left in the heart of Europe, the military and political neutralization of Germany will not be practicable except within the framework of a general settlement of the cold war, including an effective system of controlled international disarmament. (5) To agree to discuss the principle of the neutralization of Germany on condition of preliminary disarmament would be less dangerous than to reject this proposition out of hand. (6) It is less a question today of

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settling the cold war than of finding a formula which will permit the major antagonists to discuss conditionally, and with a minimum of risks, an eventual settlement. (7) In putting the neutralization of Germany in this context on the agenda of successive conferences, the West will regain the diplomatic initiative, oblige the Communist powers to act responsibly, and open the way either to a true détente in the event of successful negotiations, or to a unity of purpose among the democracies in the event that the discussions collapse. (8) Politically speaking, the fundamental importance of disarmament lies in the fact that the powers can neither settle the cold war, nor even discuss its eventual settlement usefully, without protecting themselves from the exigencies of control. (9) Technically speaking, any disarmament plan, in order to be effective, must contain a scheduling of the process through time, the preliminary determination of a precise staging of the process, and the possibility of reversing the procedure in the event of a failure to observe the agreed-upon timing of the process.

Now that negotiations have begun at Geneva, it remains to move from intentions to actions. Geneva made clear to the world that the Russians had a choice between two forms of détente: (1) one that rested on a solution of pending political problems; and (2) another that depended on ending psychological and military tensions, but not on the resolution of the great political issues. It would appear that they have not yet chosen between the *grande détente* and the *petite détente*. The first would permit them to reduce their armaments substantially and, with the resources freed thereby, turn to the resolution of their internal problems. The second would imply the maintenance of a sizable military establishment, but would also allow for the possibility of a shift of German opinion in favor of a reunification conceded by the East at the expense of the West.

The final decision of the Communist powers will probably depend far more than we realize on the attitude of the West. In agreeing to discuss frankly a realistic proposal for the reunification of Germany, the West will have a genuine chance of guiding the USSR toward a *grande détente*. In attaching conditions to unification—conditions which effectively mean the division of Germany in perpetuity—the West risks alienating the Germans in the long run and obtaining a peace as precarious as the chances for survival of the team that is now governing the Soviet Union. The fate of these men is tied to the success of their internal and external policies. No one can say what will be the consequences if the team should be overthrown. Thus, the West has every

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interest in supporting the present Russian leadership; and it is not by rearming Germany that it will achieve this goal. The threat of a rearmed Germany may have helped to create the opportunity for a détente. But is it not possible that her actual rearmament would revive the cold war?

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PROSPECTS FOR ECONOMIC DEVELOPMENT IN INDONESIA

By EVERETT D. HAWKINS

MOST American forecasters in the first half of 1955 were optimistic about the United States economy, but many were gloomy about the prospects for Asia. The head-shaking over Indonesia was particularly grave.[1] Such a pessimistic outlook was perhaps a natural reaction to the sanguine attitude that followed the Indonesian achievement of freedom from the Dutch on December 27, 1949. In Indonesia itself, a battle raged in 1955—culminating in the overthrow of the Ali cabinet—between those out of power who blamed the cabinet for inflation, insecurity, and corruption, and those in power who tried to place the onus on previous cabinets, the Dutch, and remnants of colonialism. Indonesian newspapers played up these disputes with perhaps even more vigor than the American press handles party differences within the United States.[2]

Indonesia is a classic example of a recently freed, former colony. Winning sovereignty from the Netherlands ended the first and basically the simpler phase of the revolution. The second phase,[3] more difficult and much more gradual, must evolve new institutions to make the country a truly independent power and ensure economic development with a rising standard of living for her people. She is struggling with the usual boom-and-bust cycle that characterizes a raw-material producing country. In the 1930's, she suffered through the sugar depression. Since she gained her freedom, rubber, tin, and copra, comprising over 70 per cent of her exports, have given her a hectic ride on the roller coaster of world prices.

Like many other new countries in Asia, Africa, and Latin America, Indonesia is striving for a "national," not a "colonial," economy. Briefly, this means that her leaders want (1) to diversify exports and include manufactured and semi-manufactured products as well as raw materials; (2) to develop home industries so that they will not have to rely so exclusively on foreign imports (this includes a high priority for

[1] See, for example, Justus M. van der Kroef, "Indonesia's Economic Difficulties," *Far Eastern Survey*, XXIV, No. 2 (February 1955), pp. 17-23.

[2] Compare the views of *Indonesia Raja* and *Pedoman* with *Merdeka* and the *Indonesian Observer*.

[3] "Indonesian Revolution—Second Phase," prepared by the students in the Intercollegiate Seminar on Indonesia, Mount Holyoke College, Department of Economics and Sociology, June 1954.

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rice-growing to reduce food imports so as to be able to purchase necessary machinery from abroad); and (3) to encourage Indonesians instead of foreigners to engage in international trade, internal commerce, and manufacturing.[4]

In this task of economic development, Indonesia faces several special problems. One is the newness of her unitary state, which must govern not a single Indonesian economy but one divided into several thousands of islands imperfectly linked by sea and air routes. Indonesia is composed of a series of atomistic economies in which the local *tani* (farmers) raise their own crops and have few dealings with even the next town. A sharp cleavage developed under the Dutch between this almost self-sufficient rural Indonesia and the estate and city economy which was so closely tied to foreign capital and world markets.[5] Furthermore, political power is fragmented into a few major parties and more than a score of smaller parties and factions.

Under these conditions, what are the prospects for economic development in Indonesia? It is easy to become pessimistic if one looks only at immediate difficulties. To balance such short-run considerations, one must study the basic long-run potentials of the country. It is proposed to analyze Indonesia's prospects for economic development under seven interrelated headings: physical resources, human resources, man-made resources (capital), transportation and power, market possibilities, cultural patterns, and political problems.[6]

I

Indonesia is potentially rich in physical resources,[7] but is still poor in terms of average per capita income. In fact, she has so much of what it takes to make a rich country that the Dutch vied with the other colonial powers until they secured a near monopoly of her trade. Under a number of dynasties, the Chinese had an eye on the riches of the

[4] Minister of Economic Affairs Roosseno explained: "This national economy might be interpreted as a situation where the Indonesians did not want any longer to be made the object of something but wanted to become the subject who carried out something." *Berita Ekonomi Indonesia*, Nos. 164-65 (April 30, 1955), pp. 20-21.

[5] J. H. Boeke, *Economics and Economic Policy of Dual Societies as Exemplified by Indonesia*, New York, 1953; J. S. Furnivall, *Netherlands India: A Study of Plural Economy*, Cambridge, Eng., 1944; Benjamin Higgins, "The 'Dualistic Theory' of Under-developed Areas," *Ekonomi dan Keuangan Indonesia*, VIII, No. 2 (February 1955), pp. 58-78.

[6] Cf. major headings in Harold F. Williamson and John A. Buttrick, *Economic Development: Principles and Patterns*, New York, 1954; and Benjamin Higgins, "Economic Development of Under-developed Areas: Past and Present," *Ekonomi dan Keuangan Indonesia*, VII, No. 12 (December 1954), pp. 778-99.

[7] For a good general summary, including material on resources, see Embassy of Indonesia, Information Division, *The Republic of Indonesia*, Washington, D.C., 1951.

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Indies long before the era of the Kuomintang and the Communist parties.[8] In 1941-1942, the Japanese drove straight for the oil, tin, rubber, and other raw materials of Indonesia to supply her war effort.

Indonesia is fortunate, especially in Java and parts of Sumatra, in having rich volcanic ash soil rather than the poor jungle soils which are leached of their valuable mineral content when the land is cleared for cultivation. She also has plenty of rainfall for most of the year, with the exception of some of the eastern Sundas, which are close to the Australian desert. Since Indonesia is on the equator, the monsoons are less pronounced, giving a more even pattern of rainfall. Likewise, the days and nights are almost equal in length, with no extremes of heat or cold. With irrigation, these conditions make possible more than one crop during a year.

A number of plants have been successfully introduced from other parts of the world. The original spice crops were later augmented by coffee, and still later by sugar, rubber, palm oil, and copra. Rice, corn, vegetables, and a great variety of fruits grow so easily in many parts of the country that it is difficult to introduce new and improved methods of cultivation. One important crop that has never been successfully grown there is cotton, which in its various forms constitutes the largest group of imports.[9]

Indonesia is also rich in fine woods. Teak, bamboo, rattan, and a number of other woods are indigenous. Pines flourish on the mountains in North Sumatra. The forests of Kalimantan (Borneo) have hardly been explored, let alone exploited. This abundant supply of fine timber is a magnificent resource which could be exploited with much less machinery and less capital investment than most mineral resources.

Not only are her agricultural and forest resources great, but she is perhaps best known for her mineral resources. Indonesia produces about 2 per cent of the world's supply of petroleum and over 20 per cent of the tin. She is rich in bauxite (aluminum) ores, which have been exploited for the world markets. She has coal, manganese, nickel, and even diamonds in South Kalimantan.

Such potential wealth in natural resources is a positive factor in the economic development of the country, but the world knows that it takes more than potential resources to make a nation wealthy. They must be explored and developed.

[8] The forces of the Kublai Khan were expelled from the Javanese Kingdom of Madjapahit in 1294. B. H. M. Vlekke, *Nusantara: A History of the East Indian Archipelago*, Cambridge, Mass., 1943.

[9] Recent attempts to grow ramie have been successful enough on a small scale to warrant the importation of an estimated R. 20 millions' worth of processing machinery from Japan. *Berita Ekonomi Indonesia*, Nos. 164-65 (April 30, 1955), p. 12.

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II

The physical resources in Indonesia have been great enough to support a large and growing population, estimated at about 80 million people.[10] The human resources of Indonesia, the sixth largest country in the world in terms of population, are numerous, unevenly divided among the islands, and comparatively unskilled in the techniques of modern economic development. The relatively small, but fertile, island of Java supports a population of over 50 million, or more than a thousand persons per square mile. Although Java is so crowded, the average *tani* seems to live better than the farmer in China or India. In Sumatra and most of the outer islands, there is a noticeable difference in the man-land ratio. Estates and business firms often face a shortage of labor in these areas. Because of the great differences in labor supply between Java and the outer islands, the government has as one of its main objectives the movement of individuals and whole villages from Java to Sumatra, Kalimantan, and Sulawesi. This "transmigration" policy, started under the Dutch and currently implemented by several agencies in the Indonesian government, has succeeded in moving in any one year only a few thousand people, equal to but a small percentage of the natural increase on Java.[11] Although the specter of great famine in Java does not seem to be an immediate threat, the rapid increase in population will mean that any rise in national productivity will have to be divided among more people, thus making it harder to secure a substantial rise in the per capita national income.[12]

Productivity depends not only on total population but on the health and training of the people. The Indonesian population suffers death, disability, and debilitation from a number of serious diseases, especially malaria, yaws, and tuberculosis.[13] Malaria is both a killer and a debilitating disease, while yaws seriously cripples and disfigures but is not fatal. The lack of sanitary facilities, hospitals, nurses, and doctors is apparent almost everywhere except in a few of the larger cities, where they are available to the more prosperous Indonesians and the foreign groups. The Ministry of Health is working to improve the health picture with

[10] The United Nations estimate for 1954 was 81.1 million. *Demographic Yearbook, 1954*, New York, 1955, Table 1.

[11] *Ekonomi dan Keuangan Indonesia*, VII, No. 7 (July 1954), pp. 428-30.

[12] This problem has also been faced by India in her national planning. Cf. Government of India, Planning Commission, *The First Five Year Plan: A Summary*, New Delhi, 1952, pp. 18, 20, 23.

[13] Dr. Leimena, "The Upbuilding of Public Health in Indonesia," in Ministry of Information, *Basic Information on Indonesia*, Djakarta, 1953, pp. 112-55. See also articles by Dr. E. Ross Jenney and Dr. Warren A. Ketterer in *Public Health Service Reports*, LXVIII (1953), pp. 409-15, 558-62, 707-13, 1056-58.

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various organizations: UNICEF, WHO, the Colombo Plan, and U.S. Technical Assistance. The greatest single program involves mass DDT-spraying against malarial mosquitoes. This program will not only save many lives, adding to the population problem, but it will also mean that more men and women of working age will be able to carry full-time jobs. Special efforts are being made to improve the health facilities in the areas where the "transmigrants" are being sent, so as to ensure a substantial level of productivity.

Indonesia is a land of great contrasts in education. Under the Dutch regime a few Indonesians received a very thorough education, with special emphasis on languages as in the Netherlands, but the general level of illiteracy was high, most estimates indicating 93-95 per cent illiteracy at the end of the Dutch regime in 1942. Secretary-General Hutasoit of the Ministry of Education announced that this figure had dropped to 63.5 per cent in 1954, and the Ministry hopes by 1961 to have wiped out illiteracy.[14] However, economic development needs not only people who can read and write but personnel with a great deal of specialized training. Here again, there are only a small number with first-class training; perhaps the most important shortage in Indonesia is this lack of sufficient skilled workers, trained and experienced government officials, businessmen and professionals of all kinds. These shortages cannot be filled immediately; years of training and experience are needed. Without enough managers and technicians, large capital investments will not have the desired results.

To break this crucial bottleneck, Indonesia has embarked simultaneously on a number of programs. The Ministry of Education not only is pushing adult literacy, elementary education, and teacher training, but is emphasizing technical education.[15] Other ministries are organizing specialized training: for example, the Ministry of Agriculture has a great variety of schools and training programs as well as its Rural Community Centers (BPMD's). The Ministry of Labor has programs to teach skills to unemployed workers. The Ministry of Information is trying to inform the population via the radio and the cinema.

New departments and new universities are being established, but here again the problem is lack of sufficient teachers. To speed up this process, the Indonesian government, after a year or two of testing, has requested and recruited foreign experts to help set up training schools. Every effort has been made to bring experts from a number of different countries and under a variety of programs to avoid the danger of any one

[14] *Indonesian Observer*, March 16, 1955, p. 2.
[15] Ministry of Information, *op.cit.*, pp. 157-72.

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nationality dominating the program.[16] In many fields, the newer experts have not even filled the gaps left by the older Dutch instructors who have departed. The difficulties of recruitment are many and the very tight housing situation in most Indonesian cities has been a limiting factor in spite of the fact that some houses have been built for experts since 1952.

Of perhaps greater importance is the growing number of Indonesians who are being sent abroad by their government directly, or indirectly under one or another of the technical assistance programs. Again, the Indonesian government moved cautiously at first, sending its students to a number of different countries so that they would come back with a variety of experiences out of which they could weld a policy to fit the needs of Indonesia rather than copy the pattern in any one country. By and large, the Indonesian government has selected personnel carefully for foreign training and the Embassy in the United States has done an outstanding job of helping her citizens adjust to the new environment and gain as much as possible from their respective programs.

Even with all these education, training, information, and exchange programs, the task of preparing enough trained personnel for a country with as large a population as Indonesia, scattered over such vast distances, is one of the slowest and most difficult problems in the field of economic development.

III

Economic development depends not only on physical and human resources but on man-made resources: capital. Here again, Indonesia faces an immediate, critical shortage. To raise per capita consumption by 1 or 2 per cent per annum, a modest rate of economic development, Massachusetts Institute of Technology economists estimated that Indonesia would need new investments of R. 12-15 billion per year, which is double or treble the current rate.[17] It does not seem likely that Indonesia will soon be able to increase her own savings to this figure, and so she faces the choice of borrowing foreign capital or foregoing substantial economic development.

In the colonial era, business, financial institutions, and capital were concentrated in the hands of non-Indonesians. The Dutch, by force

[16] For a brief summary of UN Technical Assistance, see John S. Reid, "How Shared Skills Help Indonesia," *Indonesian Affairs*, III, No. 6/7 (June-July 1953), pp. 22-27.

[17] M.I.T., Center for International Studies, Indonesia Project C/55-5, Cambridge, Mass., 1955, p. 1. See also Benjamin Higgins, "Development Financing," *International Conciliation*, No. 502 (March 1955), pp. 275-314.

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of arms, won a near monopoly of foreign trade in the Indies.[18] The Chinese, with Dutch support, showed their usual facility for trade by handling an estimated 90 per cent of the internal trade. Certain craft industries, such as batik-making and silverwork, were largely Indonesian-owned. Most of the pedlars were Indonesians, but the small shops and the large stores were mainly Chinese- or Dutch-owned. Almost all of the large estates were financed and managed by non-Indonesians.

It is therefore not surprising that, since the achievement of political sovereignty, one of the main drives has been to encourage Indonesian capital and businessmen. New Indonesian businesses have been given preference in securing foreign exchange, import, and export licenses. In some cases, Indonesians have officered Chinese-controlled firms or sold their licenses to non-Indonesian firms, making a quick profit with little or no work. While the chance for quick profits and large automobiles has induced some Indonesians to enter trade, it has not developed a large group of business entrepreneurs. This development is not surprising, because historically traders have preceded manufacturers. The danger of the present system is that the energies of the new, small business community will be spent in avoiding regulations rather than in increasing the real investment and productivity of the country. Furthermore, although it is important for a country to develop its own mercantile leaders, the real need is to increase the volume of investment, not merely to replace the old Dutch and Chinese businessmen.

On the whole, conditions in Indonesia since 1949, including this preference for Indonesian firms, have not favored new foreign investment, with certain notable exceptions such as the oil industry.[19] Each cabinet has assumed an ambivalent position toward foreign capital. In a number of speeches, government leaders have said that Indonesia needed foreign capital to increase her productive level. At the same time, there have been all sorts of rules laid down restricting the flow of profits and capital out of the country. These rules, coupled with high corporate taxes and special privileges for Indonesian business, have made foreign investors wary. But over and beyond these rules and regulations, most officials have been reluctant to encourage foreign capital because of the fear that outside capital would reimpose foreign control, which would jeopardize the newly won independence of Indonesia.[20]

[18] Amry Vandenbosch, *The Dutch East Indies: Its Government, Problems and Politics,* 3rd ed., Berkeley, Calif., 1942.

[19] "The Petroleum Industry," in Embassy of Indonesia, *Report on Indonesia,* VI, No. 4 (December 1954), pp. 12-16.

[20] Legislation to encourage foreign investment and to spell out the specific terms

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In spite of the many regulations, capital has tended to flow out of Indonesia as Dutch firms have tried to repatriate accumulated profits, surpluses, and capital investments. The outward movement of Chinese funds may be equaled by new Chinese capital which has come via Hong Kong since the conquest of the mainland of China. With profit prospects so satisfactory in the United States and Canada, it is not surprising that only a small amount of private American capital has flowed to Indonesia. Peter Paul Mounds and Procter & Gamble have plants in Indonesia and American automobile firms have directly or indirectly built sub-assembly plants. General Motors, which had the largest plant, recently sold it to an Indonesian firm.[21]

Indonesia since 1949 has borrowed from the Netherlands to finance obligations included in the Round Table Agreement. The Export-Import Bank loan of $100 million arranged in 1950 was not fully utilized until 1955. Indonesia may continue to borrow from the EXIM Bank, and may try to get lines of credit from other countries similar to the one from France. She will look to specific advances for machinery, including loans from Iron Curtain countries. The Indonesian government joined the World Bank and Fund in 1954. Both of these agencies have sent missions to Indonesia and it is anticipated that she may borrow from these sources and any other UN agencies that are established.

Unlike India, Burma, Pakistan, and China, Indonesia has as yet adopted no over-all plan for economic development, although various agricultural welfare plans have been developed and implemented. Professor Sumitro's "Industrial Urgency Program" has generally been followed by succeeding cabinets,[22] and, as has been indicated, the Ministry of Education is operating under a ten-year program to eradicate illiteracy. A National Planning Board was established and a number of UN experts came to work with the State Planning Bureau to help develop an over-all plan. Early in 1955, Dr. Djuanda, head of the Planning Bureau, indicated that a five-year program calling for investments equaling about one billion dollars had been worked out, together with the percentages to be spent, in the following fields: (1) agriculture, "transmigration," and other projects for social improvement—12 per cent; (2) transportation, communications and roads—

surrounding it was presented to Parliament in 1954, but no action had been taken by the summer of 1955.

[21] *Indonesian Observer*, April 13, 1955, p. 2.

[22] Sumitro Djojohadikusumo, "Our Way Out," *Indonesian Review*, I, No. 3 (April-June 1951), pp. 179-89; "The Government's Program on Industries," *Ekonomi dan Keuangan Indonesia*, VII, No. 11 (November 1954), pp. 702-36.

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25 per cent; (3) industry and mining—25 per cent; (4) irrigation and multi-purpose projects—25 per cent; and (5) education, health, and social projects—13 per cent. This program, however, will have to wait upon the necessary budget authorizations, even though Dr. Djuanda hoped some of the projects might begin in 1956.[23]

Undoubtedly, economic development has been hindered by the lack of an agreed-upon plan with carefully worked-out priorities and blueprints for specific projects. Quite possibly, more serious limitations than the lack of a unified plan have been (1) the severe shortage of skilled personnel to execute such a plan,[24] and (2) the basic lack of capital, accentuated by a number of financial problems. The sharp drop in rubber prices, starting in 1951, resulted in an unfavorable balance of trade and a drain on foreign exchange holdings. It also caused such a severe drop in government revenue that the government had to borrow billions of rupiah from the Bank of Indonesia, which in turn caused a rise in bank-note circulation and prices.[25] A whole series of *ad hoc* measures have been attempted to limit certain types of imports, to encourage exports, and to reduce the amount of "hot money" in circulation. Top economists and planners in the Indonesian government have been forced to expend most of their energies in putting out these immediate economic fires, because a degree of economic stabilization is a prerequisite for economic development.[26] Although the rise in rubber prices in 1954-1955 has relieved the legal reserve squeeze, the *Indonesian Observer*, a staunch supporter of the Ali cabinet, urged that government to take a more active policy in curbing inflation, increasing production, and promoting economic development.[27]

[23] *Indonesian Observer*, March 17, 1955, p. 1.

[24] Dr. Djuanda calculated that by 1960 Indonesia would need 7,500 engineers, including those engaged in teaching and research. In 1955, there were only 204 members of the Association of Indonesian Engineers, including agricultural engineers, foresters, and geologists. See American-Indonesian Chamber of Commerce, *Information Bulletin*, No. 419 (March 29, 1955), p. 8.

[25] The *Report of the Bank of Indonesia* (formerly the Java Bank), which is published annually, includes the important statistics for economic study and the report of the president of the bank, Dr. Sjafruddin Prawiranegara. Another excellent annual review with statistics is National Planning Bureau, "Indonesia's Economic Development, 1953," *Ekonomi dan Keuangan Indonesia*, VII, No. 7 (July 1954), pp. 394-455.

[26] Benjamin Higgins, *Economic Stabilization and Development in Indonesia*, Secretariat Paper No. 8, International Secretariat, Institute of Pacific Relations, New York, 1954.

[27] For example, see the editorial "Economic Reconstruction," June 22, 1955, p. 2. First reports indicate that the new Harahap cabinet with Dr. Sumitro as Minister of Finance is giving high priority to immediate economic problems and to long-term planning for economic development.

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IV

As part of her capital structure to increase productivity, Indonesia needs transportation[28] and power. The former is particularly necessary because of the many islands and high mountains. Among most tropical areas, Indonesia is unique because of the ease of penetration from the sea. Today, as in the past, her economy needs vast quantities of merchant shipping to move the more than 12 million metric tons which were exported in 1954 and to bring in the millions of tons of imported goods. External shipping is done almost entirely in foreign bottoms, although the Djakarta Lloyd line owns one vessel and charters four others in foreign commerce. Small Indonesian sailing boats also engage in some foreign commerce with nearby ports such as Singapore. Furthermore, Indonesia needs vast quantities of shipping to carry people and goods between islands. The Dutch KPM lines have long held a monopoly of such inter-island transportation. The Indonesian government, however, has been encouraging Indonesian shipbuilding and shipping lines, but these are still relatively small in size.[29] More transportation at lower rates will be needed as various islands specialize in production for the home market.

Railroads, which suffered so much damage during the 1940's, have largely rehabilitated their 6,500 kilometers of lines, and new passenger and freight cars and locomotives have been purchased, mostly from abroad. Only in Java do the rail lines connect most of the main cities, while in the outer islands many are short lines built by the Dutch to move estate crops from the interior to the seaports for export purposes. The Deli railroad serving the estates in northern Sumatra is still privately owned, but most of the other lines were nationalized by the Dutch and have since been taken over by the Indonesian government. Railroads have improved in service and in volume of business since 1949, but road and air transportation keep down rapid expansion.

Indonesia has an estimated 75,000 kilometers of roads, of which 55,000 are surfaced and about 9,000 of concrete. Many of these are not in good enough repair for the number of private automobiles, buses, and trucks, which has increased rapidly since 1949 and greatly exceeds the prewar total. Much foodstuff is hauled by trucks from the rural districts to the big cities. The recent increase in the gasoline tax, which caused higher truck rates, was immediately reflected in the higher price of vegetables in Djakarta and Bandung. With the coming of the motor

[28] Indonesia needs good transportation and communications for political reasons also, in order to weld a unified nation.

[29] *Indonesian Observer*, March 16, 1955, p. 2.

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road, there has grown up a whole series of related industries: sub-assembly plants, auto sales rooms, garages, and filling stations. The need for automobile repairing is so great that the Ministry of Education established courses in automobile mechanics in some of the primary technical schools. Much of the work on roads can be done locally with the large supply of only partially employed rural labor.

The arrival of the Air Age was evident during the Asian-African Conference in Bandung in April 1955. Regular planes of the Dutch KLM and the British-Australian BOAC-QUANTAS lines, plus special charter planes, poured notables into the Kemajoran Airport of Djakarta, while the Indonesian airline, Garuda, shuttled them to Bandung. The Garuda lines fly to Labuan and Manila and to Singapore and Bangkok, where they connect with Pan-American and many other carriers. Air travel and freight have grown in Indonesia as the network has spread throughout the islands. Garuda Airlines, a local offshoot of the Dutch KLM, was taken over on a fifty-fifty basis in 1949. Subsequently, the Indonesian government bought out the Dutch share, but many Dutch technicians remained as pilots, shopmen, and staff. These are gradually being replaced as more and more Indonesians are trained for these positions. American engineers under contract to the Indonesian government (financed by U.S. Technical Assistance funds) rendered valuable aid in preparing the shops for major overhauls, and the ICAO brought in a large group of foreign experts to train local personnel.

Not only is there need for more and cheaper transportation, but greater power is an absolute must for economic development. Fortunately Indonesia has coal, oil, and waterpower. What she lacks are sufficient power stations and transmission lines. During the dry season, industrial users have been forced to close down certain days each week, since most of the waterpower developments do not have sufficiently large dams and water reserves (these use up precious rice lands) to guarantee a regular flow of water. Two major multi-purpose waterpower projects are being planned. The first, in the Asahan River in northern Sumatra, would supply sufficient power for the whole region and for aluminum, paper, and fertilizer plants which are projected for the development.[30] The second is in West Java on the Tjitarum River.

Without a sufficient quantity of power, modern economic development is impossible. Without adequate lighting at night, security problems may be increased. Although agriculture and industry are long on

[30] *Report on Indonesia*, VI, No. 6 (February-March 1955), p. 6.

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manpower, the level of productivity will remain low unless man is supported by machinery, and machinery requires power.

V

Indonesia, with a population of about 80 million, offers a substantial home market to producers, but the average annual income is less than $100 at the present time,[31] so that the real economic demand is low. The Indonesian farmer is not nearly as good a customer as his American counterpart. It is true, however, that some former imports which reached the common man, such as toothbrushes, crockery, and shoes, are now being produced within the country. The new motor industry is crying for more motorcycle and auto tires, not to mention the growing need for bicycle tires. Part of the Industrial Urgency Program called for the growth of small-scale industries, which could be started with a minimum of capital, organization, and skill, and which could utilize local materials and produce for the home market. In this way, foreign exchange might be saved to purchase necessary raw materials and machinery from abroad.

Much as Indonesia would like to produce for her own market, she must export to earn sufficient funds to pay for imports needed for her economic development and the billion rupiahs' worth of invisible items, such as shipping, insurance, debt service, and pensions. Unlike India, which owned large sterling balances when she gained her freedom, Indonesia started with large annual obligations to pay in Dutch guilders. Several problems confront the Indonesians when they consider their export markets. First, some of the products sold by Indonesia face sharp competition from substitute or synthetic products. Synthetic rubber is of real concern to the Indonesian economy, as are the many substitute containers that have been introduced for tin cans. Second, Indonesia's traditional markets have been the Netherlands and other European countries, the United States, Japan,[32] and Singapore, all of which want raw materials and supply manufactured goods. Economic development in other Asian and African countries will create new markets, while meetings such as the Asian-African Conference at Bandung

[31] S. Daniel Neumark, "The National Income of Indonesia," *Ekonomi dan Keuangan Indonesia*, VII, No. 6 (June 1954), pp. 345-91; C. Bakker, "Some Remarks About Dr. Neumark's Estimation of the National Income of Indonesia in 1951 and 1952," *ibid.*, VII, No. 9 (September 1955), pp. 597-602. See also *ibid.*, VIII, No. 3 (March 1955), pp. 191-94.

[32] Considerable expansion of her trade with Japan seems quite possible once the reparations and payments problems have been solved. See, for example, the statement by Minister of Foreign Affairs Sunario, *Indonesian Observer*, June 8, 1955, p. 1.

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tend to foster intra-regional trade ties. To be realistic, however, the products of many of these countries are competitive, not complementary.

In the third place, Indonesia, the world's largest producer of natural rubber, would like to get away from her dependence on rubber as her chief export, because it is subject to such violent shifts in demand and even more violent fluctuations in price. But here Indonesia faces a dilemma: although she wishes to diversify, she cannot afford to give up any rubber production until other foreign-exchange earners are developed, and no quick substitutes are in sight. Similarly, she wants to encourage smallholder production, not foreign estate production, but smallholders generally produce a very low quality of rubber, which commands a low price, while the estates sell high-grade smoked ribbed sheets, crepes, and latex, which bring in more foreign exchange. Some efforts have been made by the Ministry of Agriculture to encourage the smallholder to improve the quality of his product, but this has met with only limited success. A serious long-term problem for Indonesia is the necessity of planting new, high-yielding rubber trees to compete with those planted in Malaya. With an uncertain market and with the desire to cut down on the relative importance of rubber, it takes a good deal of daring for a government to plant new trees or encourage estates[33] or smallholders to plant. If replanting is not done, however, Indonesia may find that she has lost her regular rubber market and millions of dollars of foreign exchange.

The Indonesian government has proposed on several occasions the formulation of a world plan to stabilize the price of rubber.[34] American producers of rubber products, mindful of the bitter experience of the Stevenson plan in the 1920's, have consistently opposed such a measure. Certainly Indonesia, with such a large supply of rubber, might encourage further rubber processing in the country. In addition to rubber products, she might also find markets for the sale of petroleum, sugar, vegetable oil, wood, and aluminum products. In the meantime, she will probably continue to earn more from the sale of her many raw materials—rubber, tin, crude oil, copra, palm oil, tea, coffee, kapok, and spices.

[33] Recently Goodyear denied a rumor that it planned to sell the company's estates and announced that it would go ahead with a replanting program. American-Indonesian Chamber of Commerce, *Information Bulletin*, No. 397 (November 10, 1954), pp. 14-15.

[34] Sumitro Djojohadikusumo, "Instability of Trade and Economic Development," *Ekonomi dan Keuangan Indonesia*, VI, No. 12 (December 1953), pp. 732-38. See also United Nations, *Commodity Trade and Economic Development*, E/2519, New York, 1953.

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VI

The foregoing analysis of economic factors must be placed in its proper social context. Great variations exist in the cultural patterns of different groups in Indonesia, but over 80 per cent of the people earn their living off the land in small villages where tradition and superstition are still powerful. Although about 90 per cent of the people are Moslems, Indonesian society also has strong Hindu-Buddhist roots and even older and deeper taproots of primitive animism. In Bali, the Hindu religion is practiced, and there are a number of Protestants and Catholics, especially in some of the outer islands.[35] Although modern Islamic movements have definitely been progressive forces and were early linked with nationalist aspirations,[36] the older religious beliefs tend to be conservative and to discourage scientific initiative. Years of experience in thwarting the Dutch, the Chinese, and the Japanese have also had a negative effect on local initiative, development, and productivity. In some cases, bands of guerrillas continue to destroy life and property and deter development.

The tempo of village life has traditionally been leisurely. Production is not rapid, nor is the workday long in either agriculture or industry. There is perhaps a vicious cycle of low wages, low caloric intake (especially low on energizing proteins), low productivity, high costs and, therefore, high prices and small demand for the product. This contrasts with the American pattern of high wages, plenty of energizing food, high productivity, low costs, and high demand for the product. Fortunately, the land in much of Indonesia is so fertile that crops grow with relatively little effort.

In village affairs, the spirit of *gotong-royong*—cooperation, or working together—prevails. Every attempt is made to get unanimous decisions on any local activity. This spirit of mutual help is now being utilized in developing the cooperative movement. At the end of 1954, with the backing of many top officials, especially Vice-President Hatta, the Cooperative Service of the Ministry of Economic Affairs was able to announce that there were 9,583 cooperatives, with a membership of over 1,600,000, total savings of over R. 150 million, and reserves of over R. 27 million.[37] Most of these cooperatives are found in rural regions,

[35] Embassy of Indonesia, Educational and Cultural Division, *The Cultural Life of Indonesia, Religion, the Arts, Education*, Washington, D.C., 1951; Miguel Covarrubias, *Island of Bali*, New York, 1937; Francis J. Galbraith, *Preliminary Observations for a Study of Javanese Culture*, Washington, D.C., Foreign Service Institute, 1949.

[36] George McT. Kahin, *Nationalism and Revolution in Indonesia*, Ithaca, N.Y., 1952, p. 660.

[37] Mimeographed data from the Indonesian Embassy, Washington, D.C., 1955.

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the largest number being village cooperatives and credit cooperatives. Although great reliance is put on local leadership, here, as in other fields, it has been necessary to train organizers, business managers, and accountants. The growth of membership in the 1950's is startling as compared with only 574 cooperatives with 52,216 members in 1939. Cooperatives are likely to grow in Indonesia, but they still are a long way from playing the important role in development that they have played in Scandinavia and the United Kingdom, and are doing now in India.[38]

Thus far, the Indonesians have not developed large family trading and business firms as have the Chinese in Indonesia and other nearby countries. The capitalistic, individualistic, competitive spirit is not characteristic of most of the people as it is in the United States. In fact, the Indonesian elite were not businessmen but held their position through birth (nobility) or through education, and under the Dutch the two were in most cases linked together.[39]

Indonesia today is fortunate in having some very good and able leaders who are literally wearing themselves out by working excessively long hours to try to carry the enormous burdens of the new republic. The story is told that when independence was won and everyone was shouting, "Merdeka!" ("Freedom!"), the common man of Indonesia felt it must mean freedom from work. In their public speeches, the President, the Vice-President, and many other top leaders have repeatedly called on the people to work harder. Even if Indonesian planners decide not to confine their objectives simply to increased physical productivity, but to maintain some of the leisure and the pleasures of the present cultural pattern, the social mores of leisurely, self-sufficient, unprogressive agriculture will have to be modified if the country expects to increase its economic development substantially.[40]

VII

Political instability, regional insecurity, and creeping corruption are frequently mentioned as serious brakes on Indonesian economic development. To this list is often added the lack of sufficiently trained

[38] *Indiagram*, No. 723 (June 20, 1955), pp. 2-3.

[39] Leslie H. Palmier, "Aspects of Indonesia's Social Structure," *Pacific Affairs*, XXVIII, No. 2 (June 1955), pp. 117-31; see also W. F. Wertheim, "Changes in Indonesia's Social Stratification," in *ibid.*, XXVIII, No. 1 (March 1955), pp. 41-52.

[40] A new system of sugar growing, tried by a few mills, has given the individual farmer a stake in the productive process that is more in keeping with the new spirit of independence and development. Phillips Ruopp, ed., *Approaches to Community Development*, The Hague, 1953, pp. 188-206.

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personnel to man the various government agencies at home and the missions abroad. Excessive centralization may also limit local development projects. Over and above all these is the fact of recently won independence from the Netherlands.

Independence ranks very high in the scale of values in Indonesia and the desire for an "independent foreign policy" is an overriding force.[41] Indonesia, like India and Burma, and like the United States after its Revolutionary War, needs time to build up her political, social, and economic strength. She does not want to become involved in the East-West struggle. She is an active member of the United Nations but has frequently abstained on certain votes in order to avoid being partisan.[42] It is not surprising that Indonesia is one of the Colombo Powers and that the first Asian-African Conference met in Bandung and was chaired by the Indonesian Prime Minister.

Although the Indonesians looked to the United States for aid during their struggle with the Dutch, and although they have worked out commodity and technical assistance programs with the United States, an Indonesian cabinet was forced to resign when it was learned that the Foreign Minister had signed an agreement with the American Ambassador concerning MSA aid, which was interpreted as violating the independence principle.[43] To balance her relations with the West, Indonesia has established formal diplomatic relations with both Peking and Moscow and signed trade agreements with several Communist countries. After the state visit of Chou En-lai at the close of the Bandung Conference, Prime Minister Ali Sastroamidjojo, former Ambassador to the United States, led an official delegation to China.[44]

Political instability has resulted from a plethora of political parties, the lack of national elections, and the frequent shifts in cabinets. Since August 1950, the Natsir, Sukiman, and Wilopo coalition cabinets have fallen, as well as the Ali cabinet, essentially a Nationalist (PNI) cabinet, which had support from several of the smaller parties of the extreme right and left, including the Communists. A definite opposition group was formed, including the Moslems (Masjumi), the Socialists, the Catholics, and the Christians. Ever since the affair of October 17,

[41] Mohammad Hatta, "Indonesia's Foreign Policy," *Foreign Affairs*, XXXI, No. 3 (April 1953), pp. 441-52.

[42] Lawrence S. Finkelstein, "Indonesia's Record in the United Nations," *International Conciliation*, No. 475 (November 1951), pp. 513-46.

[43] The *Indonesian Observer* suggested in an editorial that the time had come when Indonesia should no longer fear U.S. aid, and should try to get amounts more comparable to those being received by India, a staunchly independent country. June 2, 1955, p. 2.

[44] *Times of Indonesia*, May 26, 1955, p. 1.

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1952, questions of leadership in the army have remained unsettled. The controversial appointment of Colonel Bambang Utojo as chief of staff, which was firmly opposed by top army commanders, resulted in the resignation of Defense Minister Iwa and finally of the entire Ali cabinet in July 1955.

The average duration of Indonesian cabinets exceeds the French average, but still is short enough to be unsettling. A great deal more stability exists among the secretaries-general of the various ministries and other key civil servants. These officials, plus those actually in cabinet positions, have tended to make more responsible statements than members of Parliament, who as yet have not stood for election.

Not only are there many Indonesian parties, but within the larger parties factions are important. The PNI and the Masjumi, the two largest, each have distinct wings, fully as far apart as the wings of the Republican or Democratic Party in the United States, or of the Labor Party in Britain. Each party or faction follows the leadership of one or a few men and has its own newspaper.[45] It is generally expected that the first elections for Parliament scheduled for September 1955, and for the Constituent Assembly in December 1955, will eliminate some of the minor parties and factions, that the elected representatives will be more responsive to the needs and wishes of the people, and that, therefore, more stable government should result.[46] The sharp controversies, the charges and countercharges, even some of the irresponsible press statements, may be a valuable part of the process of learning about running a democratic government. India seems much more stable because of the dominant position of the Congress Party and Nehru; but the long monolithic regime of the Kuomintang and Chiang Kai-shek, where all opposition was gradually forced into the Communist camp, ended in political disaster. Indonesia is fortunate in not having just one strong, non-Communist party, and Western observers should be more tolerant of all the political shouting and maneuvering as a sign of political growth. Political disagreement, even some instability, is a small price to pay for freedom.

On the other hand, the danger exists that a small, well-organized minority may play off one party against another and become such a necessary part of a coalition that it has a disproportionate voice in the affairs of the country. Some believe that the Communist Party in Indonesia tried to play such a role during the term of office of the Ali

[45] Palmier, *op.cit.*, p. 126.

[46] Cf. Robert C. Bone, Jr., "The Future of Indonesian Political Parties," *Far Eastern Survey*, XXIII, No. 2 (February 1954), pp. 17-23.

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cabinet and that it has definitely been most active in the election campaign. SOBSI, the largest trade-union federation, has long been recognized as a Communist stronghold and a member of the WFTU. Looking toward the national elections, the Communists in recent months have apparently focused considerable attention on peasant organizations. It has also been reported that they have provided funds to business firms, which in turn would support the party. This gives the Communists a four-pronged, interrelated program for working into government, labor, farm, and business groups. Some Moslems, citing the quick suppression of the Communist-staged revolt at Madiun in 1948, are sure that an Islamic country will not go Communist. The Masjumi, the Socialists, and a few other smaller parties have been vocal in their condemnation of the Communists and their tactics. The Nationalists (PNI) in the Ali cabinet did not publicly attack the Communists, but confidently claimed that the Communists were more dependent on the PNI than vice versa. The new cabinet headed by Dr. Burhanuddin Harahap of the Masjumi Party was formed in August 1955 by a coalition of twelve parties without the Nationalists and the Communists.

Indonesia has had her share of insecurity ever since the Japanese arrived in 1942, and especially since her declaration of independence on August 17, 1945. It is not necessary to review all the fighting which took place between that date and the Round Table Agreement of December 27, 1949.[47] Since then, cases of violence have occurred almost continuously in some part of the islands—the "Turk" Westerling Revolt in West Java, the Ambon affair and the Republic of the South Moluccas,[84] the rebellion in South Sulawesi, still unsettled in the summer of 1955, the Atjeh revolt of 1953-1954, and the recurrent raids by the Darul Islam in Central and Western Java, which have gone on for years.

Insecurity is therefore one of the more serious drags on present economic development.[49] The forthcoming elections, if handled with a minimum of violence and corruption, may make it possible for a new government with some recognized backing to take a stronger stand in clearing out the nests of insecurity. It will not be an easy job at best, because the Indonesians consider some of these disturbers as Moslem brothers, having fought with them against the Dutch.

[47] Kahin, *op.cit.*; Charles Wolf, Jr., *The Indonesian Story: The Birth, Growth, and Structure of the Indonesian Republic*, New York, 1948.

[48] The officers of this Republic were tried and sentenced to prison in 1955. *Indonesian Observer*, June 8, 1955, p. 3.

[49] Marguerite Harmon Bro puts it first on her list of problems in *Indonesia: Land of Challenge*, New York, 1954, p. 87.

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In general, relations with the Dutch are sufficiently unsettled to make economic development precarious. The 1955 trials of the Dutch accused of intervention have given rise to the latest in a series of disputes with the Netherlands. The Indonesians wish to break away from the Dutch Union and put their foreign and economic relations on a completely independent basis. In 1954, such an agreement was reached with the Netherlands government, but the plan has not yet been ratified. Nor has any agreement been reached about one of the most troublesome issues, involving control of western New Guinea or West Irian, the status of which was supposed to be settled within a year of the Round Table Conference. The Indonesians pressed their claim for negotiations with the Netherlands concerning West Irian at the United Nations General Assembly in 1954 and had won their case before the Political Committee, only to lose out at the last minute in a close vote of the Plenary Session of the Assembly.[50] At the Asian-African Conference in Bandung, a resolution was passed against all colonial activity and a specific one supported Indonesia in her West Irian claim.

Indonesia has moved in the opposite direction from that of the United States in 1789, where all powers not specifically given to the federal government belonged to the states and the people. At the time of the Round Table Agreement, there was established the Republic of the United States of Indonesia (RUSI), a federal body. The Republican forces feared that this was a method by which the Dutch might continue to divide and rule, so they worked for a unitary state which was instituted on August 17, 1950, as the Republic of Indonesia (RI). As a result, the Republic has tried to control all governmental functions from Djakarta,[51] and the blame which is often heaped on Washington is nothing compared with what is sometimes said about the Indonesian capital. Many government officials recognize that Djakarta cannot possibly make all the decisions. The Ministry of Interior has called governors' conferences from time to time to talk over common problems, top Djakarta officials tour the various areas to listen to complaints, and in the spring of 1955 the first All-Indonesian Conference on Regional Autonomy was held in Bandung.[52] Greater authority at the local level, however, coupled with the right of local authorities to levy, collect, and utilize locally certain taxes, might result in consider-

[50] *New York Times*, December 1, 1954, pp. 1, 13; see also *ibid.*, December 3 and 12, 1954.

[51] Provincial governors are appointed by Djakarta and are responsible to Djakarta. Each ministry has branch officials at the provincial and regency levels, but authority rests in Djakarta.

[52] *Indonesian Observer*, March 15, 1955, p. 2.

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able important economic development.[53] With insecurity prevalent in several key areas and frequent disputes arising about leadership of the army since the affair of October 17, 1952, it is not surprising that relatively little decentralization has yet been achieved. The forthcoming elections are causing the political party members to visit the rural districts to secure the farmers' vote; more consideration is therefore being given to local rural problems.

A further block to genuine economic development may result if corruption spreads. Early economic history in Europe, Great Britain, and the United States is full of mercantilistic doctrines in which the dividing line between private gain and public benefit was hard to distinguish.[54] Charges and countercharges of corruption in Indonesia are now too numerous to be ignored. The Minister of Social Welfare in 1955 presented an anti-corruption bill to the Parliament.[55] The newspapers play up the cases of corruption and remain silent about the thousands of officials who are plugging along on salaries that are much too low. The danger to the economy does not lie in the public discussion of corruption and the arrest and punishment of certain officials—the danger arises when corruption becomes the accepted pattern.

The long colonial regime and the decade of the 1940's, with its continual disturbances, have left a mark on Indonesian life which it is difficult for independence to overcome. The necessity for rapid expansion into so many new fields has created many additional problems. Indonesia faces the enormous task of having to solve these political problems and at the same time achieve a degree of economic development. One without the other is an impossibility.[56]

VIII

If only there were some Univac machine set up to predict long-run success in economic development, the foregoing material plus other pertinent data could be fed into it and in a jiffy it would have weighed all the variables and come up with an answer. The difficulty even with Univac might be in the choice of setting. Should the model be eco-

[53] Douglas S. Paauw, "The Role of Local Finance in Indonesian Economic Development," *Ekonomi dan Keuangan Indonesia*, VIII, No. 1 (January 1955), pp. 2-24; see also *ibid.*, VIII, No. 9 (September 1954), pp. 564-86.

[54] In an editorial comment, the *Indonesian Observer* pointed to the unfortunate record of the Kuomintang revolution in China, which was eventually corroded by corruption. June 10, 1955, p. 2.

[55] *Ibid.*, p. 1.

[56] Eugene Staley stresses the interrelation of economic and political factors in *The Future of Underdeveloped Countries: Political Implications of Economic Development*, New York, 1954.

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nomic development in Great Britain, the United States, the USSR, Japan, India, or some other country? Even if Indonesia were tested against each of these and perhaps against a compromise model, the computation would also have to take into account two or three unknown forces which have not yet developed and which could substantially change the results. One has only to look back at the dour, pessimistic warnings of Malthus and Ricardo early in the nineteenth century to see how the "soundest" economic minds, working on past experience, can go wrong in long-run predictions.[57]

It is easy to point out all the short-run problems facing Indonesia—her shortage of trained personnel, of capital, of transportation, and of power, her social pattern geared to a pre-industrial era, and her many political difficulties. She has large, potentially rich resources, she has a wealth of manpower which can be trained, she has shown an adaptability to new situations, and she is fortunate in having a multi-party system with a free press where political problems can be aired rather than allowed to fester. Recognizing full well the magnitude of the problems she faces, both inside and outside her boundaries, and the many treacherous dangers which may delay or thwart her economic progress, Indonesia has the potential of developing over the decades into a country which will outshine the "Golden Era of Madjapahit."

[57] For a somewhat similar view on under-developed areas, see Norman S. Buchanan and Howard S. Ellis, *Approaches to Economic Development*, New York, 1955, p. 116.

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Review Articles

POLITICS, HISTORY, AND PSYCHOLOGY

By CLYDE KLUCKHOHN

Gabriel Almond, *The Appeals of Communism*, Princeton, N.J., Princeton University Press, 1954, 415 pp. $6.00.
Nathan Leites, *A Study of Bolshevism*, Glencoe, Ill., The Free Press, 1953, 639 pp. $6.50.
Nathan Leites and Elsa Bernaut, *Ritual of Liquidation: The Case of the Moscow Trials*, Glencoe, Ill., The Free Press, 1954, 515 pp. $6.50.

I

THESE notable books all ask political questions of materials that are largely historical in nature, using methods such as content analysis that derive from the behavioral sciences and theory that is dominantly psychological. H. A. Murray has said that there are three classes of information about every personality: (1) what the individual knows about himself and is willing under certain circumstances to reveal; (2) what he knows but will endeavor to conceal; (3) what he does not realize about himself yet is nevertheless true. What holds for personalities also holds for political systems and those who develop and run them. And the salient characteristic of these books is that all are most deeply concerned to demonstrate features of certain aspects of communism which the Communists either hide from the public gaze or of which they themselves are almost completely unconscious. These authors use documents (and, in the case of Almond, interviews) as projective materials.

No careful reader can fail to agree that the enquiries were searching and impressive even if the conclusions are not completely persuasive on every point. Indeed, if an outsider may be permitted this observation, it would seem clear that these volumes strongly indicate the relevance of a requirement for some technical study of psychology by all, or most, professional students of government. The whole content of political science is, obviously, not psychological even in an oblique sense. There are historical, philosophic, economic, and organizational aspects where psychological competence is at most peripheral. Yet the study of government remains inescapably the study of political acts and the products of these acts (constitutions, treaties, and the like).

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All human behavior has a psychological dimension, and this dimension can be comprehended only very imperfectly and superficially by "common sense." This is even more so the case with the totalitarian governments in Asia and Europe, where the sense that is "common" rests, increasingly, upon premises quite distinct from those that are familiar to us. Technical skill is also of peculiar importance where governments intentionally and skillfully and with full power restrict the dissemination of information to a degree unparalleled in many centuries. One can, as ordinary Russians say, learn by experience and "shrewdness" to "read between the lines" of official communications. But this is intensely difficult and time-consuming to do unsystematically and without benefit of prolonged residence within the Communist orbit. Contemporary psychology and psychiatry are, admittedly, still in rudimentary phases of their development. There is substantial controversy within these professions. There are also today more substantial ranges of agreement on many fundamental and unobvious points than most laymen realize. These books attest the illumination of a political order which may be obtained from the restrained use of, even, psychoanalytic doctrine.

II

A Study of Bolshevism is so packed with empirical content and subtle (occasionally elusive) interpretations that any attempt at outlining its central arguments and its "new contributions" is doomed in advance to, at best, very incomplete success. The book is so completely organic that selection will necessarily be more than ordinarily invidious. In pp. 27-63 (Prologue: The Politburo and the West) and in a brief Epilogue (From Lenin to Malenkov), Dr. Leites provides in effect his own summary insofar as practical politics are concerned. No serious student, however, will make the mistake of stopping with these pages. The body of the volume and—even for the non-specialist on Soviet affairs—the notes at the end require reading and re-reading. The reviewer went back and forth to various sections over a period of four months before he had an explanation satisfactory to himself of the juxtaposition of the three quotations (from Lenin's wife, Lenin, and Dostoevsky) which immediately precede the Introduction. My "explanation" I shall not give here because I solemnly submit to other readers that an understanding of these tags in their linkage is far the best operational test as to whether one has caught Leites' meaning. By no means should this page of quotations be dismissed as a contrived enigma or a tantalizing puzzle.

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The essential method of the book is what Woodbridge and others have called "exposition of texts." A typical pattern is that the author states one of his own propositions formulating the Communist operational code and then offers a quotation from Gogol or Mayakovsky or some other literary figure, followed by texts from Lenin and Stalin in chronological order. The extensive excerpts from Russian literature are justified on the ground that only in this way can one "find a clear and vivid description of the feelings and the moral sentiments which are opposed by, or continued in, Bolshevik belief." It is a technique for revealing "some of the unexpressed content of Bolshevism." Leites says explicitly that he believes "there has been a significant measure of continuity in Bolshevism from 1903 to 1952." It is also clear that he feels some of the continuities—or patterned reactive discontinuities—go back into nineteenth-century revolutionary and radical thought in Russia. The specifically Russian features of contemporary Soviet Marxism can be understood only in these terms. These views fit extremely well with the thesis developed by the British psychiatrist, Henry Dicks.[1]

The four substantive parts of the book codify Bolshevik theory on goals, operations, techniques, and situations. Communist conceptions of ontology, epistemology, and logic are dealt with in detail and with great analytic power. The sources used are widely various in date, authorship, and type. There are official documents, private letters, and other papers; radio talks; scientific and technical articles. The esoteric and exoteric realms of Almond are both fully embraced. Leites is of course fully aware that there are contradictions in Communist theory both through time and at particular time-points. He tries to concentrate on what appears central and persistent and traces change and development with great skill. Some representative chapter titles and subheadings will give a notion of scope:

Chapter V. The Control of Feelings
Varieties of Control over Feelings
The Danger of Intrusion of Feelings into the Line
The Danger of Sensitivity
The Danger of Excitement
The Danger of Emotional Incontinence
Chapter XIX. Retreat
The Expectation of Setbacks
Facing Setbacks
The Danger of Distress about Setbacks

[1] "Observations on Contemporary Russian Behavior," *Human Relations*, v (1952), pp. 111-75.

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Retreat to Avoid Annihilation
Retreat to Avoid Futile Loss
The Legitimacy of Retreat
From Retreat to Advance
The Danger of a Vicious Circle of Retreats

We might also take as a brief summary example the interesting sections on the time-orientation of the Communist elite. The orientation is on the past but toward the future. However, it is the Party's past that is meaningful. There is an aversion to any other past. Even the Party's past can be dangerous to contemplate because this might interfere with manipulations of things present and to come. Even the present is a means only.

Very ingenious is the tracing-out of the psychological origins of some modal reactions of the Bolshevik elite—from bad manners to the compulsive need for certainty. These are largely seen as reaction formations to some patterns and situations attributed to the earlier intelligentsia. The special place played by the intellectual in the family and by intellectuals within Russian society are given careful attention. The demand for unequivocal certainty is related to the ineffectualness in action of the Tsarist intelligentsia coupled with their opportunity to think things out down to the last split hair. Leites suggests that cruelty stems from a revolt against the sentimentality and compassion of famous nineteenth-century literary figures. Rather similar, though much more technically psychoanalytic, arguments are developed by Erik Erikson in his chapter on "The Legend of Maxim Gorky's Youth" in *Childhood and Society*.[2] In fact, these portions of Leites strike one who has worked extensively in the so-called "culture and personality" field as representative exercises of this currently (or recently?) fashionable approach.

Leites, however, goes out of his way to assert with emphasis that he does not make any affirmations about "Russian national character." Perhaps not in the strict sense, for he seldom talks about Russians in general or even Great Russians as a total population. He is dealing constantly with elite groups: the intelligentsia of two centuries and the recent Party leadership. We can strike out the adjective "national," but he is surely dealing with the thought and emotional modalities characteristic of certain defined segments of a people. Looking back at a 1948 article by Leites,[3] one sees that he tends to restrict "culture and

[2] New York, 1950.
[3] "Psycho-cultural Hypotheses About Political Acts," *World Politics*, 1, No. 1 (1948), pp. 102-19.

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personality" to efforts to associate *childhood* training and experience with patterns of the adult culture. Nevertheless, in this same well-known article, one sees the germs of many, though admittedly not all, of the kinds of analysis distinctive of these two books published five and six years later. In the broad, non-literal sense, this is first and foremost a "national character" study—and easily the best thus far of those based on documents. In particular, such passages in *A Study of Bolshevism* as pages 314-41 seem to me classical "national character" statements. And with some variant shadings they accord well with the analysis of Dicks already cited and with the results of the Project on the Soviet Social System of the Russian Research Center.[4] Since these latter are based primarily on interviews and psychological tests, while Leites worked entirely with published materials, the degree of agreement is heartening.

Many of Leites' central findings are already familiar from the writings of American scholars such as Kennan, Fainsod, and Mosely. Tactics and short-range strategy change, sometimes with bewildering rapidity. Final goals endure. A genuine and lasting "settlement with Capitalist powers" is "inconceivable" to present and recent leadership. One must push (often rudely) to the limit but know when to stop, avoiding adventures that would risk the continued existence of the regime and retreating before unquestionably superior force. There are no neutrals. Internally, passivity must constantly be changed into instrumental activity. All of these points could be matched in the work of one or more of the leading Western students. The difference in Leites is that all of these and many other features are integrated into a coherent whole with psychological and structural underpinnings. Leites may be—very probably is—too "coherent."

Nevertheless, his theory and various parts of it are, in ways that he notes, testable. They will receive a severe test during the next few years. Here there appears to be a small discrepancy between *A Study of Bolshevism* and *Ritual of Liquidation*. The former seems to assume consistently a steady continuity of Bolshevism, at least so far as some "unchanging cores" of Communist thinking are concerned—e.g., the central question, "Who will destroy Whom?" Yet the latter book in its final sentence hints that Bolshevism (not the name but the doctrine) may be utterly dead.

Perhaps I have made insufficiently explicit my views as to wherein lies the distinctive nature of Leites' approach. It is perfectly true that

[4] For a brief review, see C. Kluckhohn, "Recent Studies of the 'National Character' of Great Russians," *Human Development Bulletin* (Sixth Annual Symposium, University of Chicago), 1955, pp. 39-61.

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the critical use of texts has been standard procedure in classical political science and history. It is likewise true that this is far from the first book on politics to make use of psychoanalytic theory. What is unique in Leites, in my opinion, is the following combination: (1) a juxtaposition of literary, personal, organizational, and "state" papers in a planful, theoretically designed way; (2) an orderly selection of quotations in terms of stated limitation of sources and in terms of a complex (*partly* psychological) conceptual scheme of which the author was consciously aware and which he makes largely overt to his readers; and (3) consistent and balanced attention to manifest and latent elements in the documents and to both change and continuity. In short, while there are familiar parallels to every feature of Leites' method (except possibly his ingenuity in bringing together variegated texts), this particular unification of features is an innovation. And the comprehensiveness of his scheme and his own consciousness of his assumptions are, to assert the very least, unusual. A learned, experienced, and wise writer of an article in, say, *Foreign Affairs* may draw upon as wide a range of sources—page for page—but the selection will ordinarily be more "intuitive," less rigorous within the framework of a testable theory.

Leites has written a limited but not a modest book. Given its plan, it is difficult to think of studies more "thorough" than this. Only intense preoccupation with the data over years made such a volume possible. He provides developmental models of both "the enemy within" and "the enemy without." One may question the selection of categories, the reliance upon psychoanalytic analogies (Leninism to Stalinism appears almost as a clinical case of "regression") and one may regret the paucity of behavioral data—though these were largely unavailable and it would take another very long book to bring Leites and the materials of the Columbia and Harvard projects together. The study is more genetic perhaps than dynamic, even if Leites himself conceived this as an investigation of the "state of soul" of a politically important group in all of its historical-dynamic interrelations. Yet, when all these and other possible qualifications and reservations are made, *A Study of Bolshevism* remains, in this reviewer's opinion, a work of gigantic stature that is likely to *faire école* in politics and the other behavioral sciences for many years to come. Its detailed significance is almost impossible to exhaust, and the over-all picture of Communist mentality as somehow paranoid-like (precision of sorts imposed upon a distortion of reality) stays with one. Subsequent events may prove Leites wrong in major particulars. But scholarship learns as much from grand

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failures as from grand successes. There is nothing petty about the architecture of this book. It is written on the scale of grandeur.

III

Ritual of Liquidation is more microscopic. It is also less well pulled together. There is no summary or set of conclusions. Only in a few places (e.g., pp. 73ff., 337ff.) is there much approach to generalization or integration. The analysis of *A Study of Bolshevism* continually and perceptibly underlies this later volume. The method ("exposition of texts") and the psychoanalytically oriented viewpoint are also very much the same. The exact place that a quotation appears "expresses a point of analysis." Even more than in *A Study*, some of the most intriguing excerpts (especially literary) are relegated to the more than one hundred pages of notes at the end.

This is a dissection of the motivations for the behavior of the defendants in the Moscow trials, especially those of August 1936, January 1937, and March 1938. The major motivations of the Stalinists in carrying out these trials are only sketched. Leites and Bernaut emphasize their conviction that, except for a few small splinter groups, the "deviationists" shared with Stalin the belief that "the only sacred object in the world" is the Bolshevik Party. Those on trial felt too that the Party must have "firmness" and "solder"; must be "steely," "strongly built," and "hewn from one block." They accepted the dogma that the Party leadership had unlimited freedom in deciding what roles should be played by any member. Therefore: "The defendant's compliance during the trial had the double purpose of giving to the Party what was its due and of reuniting him with the Party, abolishing an intolerable isolation." Most of the defendants still identified with Lenin's statement that Marxian philosophy is and must be "cast from a single piece of steel." Any in-between position is by definition "internally inconsistent or otherwise invalid."

Many of these materials show a most arresting similarity to words and behavior related to witchcraft in non-literate societies. The witch is likewise the person who finds himself intolerably isolated from his group. By confession, he too can achieve reunion, if only a temporary one. There is that identification with the attacker (cf., p. 97) which is so frequent a phenomenon in witchcraft lore. Projection and pseudo-projection (cf., pp. 337-42) are probably the two dominant psychological mechanisms in witchcraft fear, accusation, and practice. There is even a specific reminiscence of an image current all over the world about witches from Paleolithic times on: that of object intrusion and

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purification by extraction. Zinoviev is said to have remarked: "I am telling you all that I think, and thereby I am extracting from my body the last splinter of the crimes that are being unfolded." The very word "splinter" is precisely the right one in the witchcraft context! Finally, the Moscow defendants are in the same position as witches because they have violated the really ultimate and untouchable values of the culture. They have threatened Party unity and defied discipline. "Primitive" witches are those who commit incest or murder their near relatives, most often their siblings.

The more theoretical sections are largely expansions of, or further documentations upon, topics treated in *A Study of Bolshevism*. There is a psychologically acute and exceedingly illuminating set of "hypotheses about a type of Russian family." The parallels to the trials and the motivations of both sides are a bit strained at points, yet convincing in a general way. There is a brief section on "veiled language" which adds to the "unexpressed content" theme of the earlier book. "The Image of Betrayal: 1949-54" takes up Slansky, Kostov, Tito, and others as a case history, as it were, for pp. 234-37 of *A Study*. This is "the enemy within." The penetration of the enemy into the Party leadership is an expected event. Indeed, the Stalinist expectation is that through long periods of time "they may form the majority of entire leadership groups of Communist parties rather than being isolated cases."

This is a very able, concentrated study. On the psychological side, it is not likely to be surpassed for many years. For fuller minutiae on historical and narrowly political points we shall have to await the publications of Ruth Fischer and others who have been investigating the source materials on the trials over a long period.

IV

The Appeals of Communism is based upon the formal dimensions of the Communist movement; interviews with 64 American, 50 British, 56 French, and 51 Italian former Communists; biographical data on the present members of the Central Committees of the Communist parties of France, Italy, and the United States; and 35 psychoanalytic case histories of American Communists. There is a linkage with Leites' work both in the interdisciplinary and specifically psychological approach and also in the fact that Leites' earlier book, *The Operational Code of the Politburo*, and personal contact with Leites influenced some aspects of the Princeton investigation, particularly the conception of "the Party militant."

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Professor Almond is modest and cautious on the methods and research materials utilized by himself and his collaborators. He faces openly and realistically almost every possible objection on the sampling process and research design generally. If anything, his own reservations are stated over-darkly. For, as he himself remarks, "When a large body of individual findings cohere in a meaningful system, another kind of test of validity is satisfied." Moreover, some of the findings have been confirmed by independent public opinion surveys in France and Italy.

Part I reports on some very astute content analysis of Communist media in various countries. The biographical studies and the literature of social psychology dealing with radicalism are also drawn upon. Historical sampling of Marxist theory makes quantitatively evident the gradually decreasing attention given to "the ultimate stage" ("withering away of the state," and the like). The structure of Communist communication involves various levels and processes of preparation and formal training, esoteric vs. exoteric communication, integral association and integral antagonism. There are some arresting and instructive contrasts between content and style in editorials in the Cominform periodical and in the *Daily Worker*. For the most part, the first ninety-six pages confirm, supplement, and raise rather minor qualifications on issues that Leites treated independently in somewhat different language, using a different (and, in the purist sense, less "scientific") method. The nationality angles and some close scrutinies of Communist semantics are new and welcome. Almond concludes that "This sharp break between the inner and popular representations of political reality provides a clue to the main vulnerability of the Communist movement."

Part II takes the reader more immediately into the key queries of the book: What different types of party members are there? How do these categories relate to the actual processes of assimilation into and defection from communism? What are the attractions and repulsions of the Party for people of certain temperaments, experiences, and social positions? The second and third of these questions are treated empirically and at length in Parts III and IV.

The militance and aggressiveness of the Party seems to have been an outstanding attraction. Sheer doctrine counted much more with early recruits than with those who joined in the post-Popular Front period. The defectors were fully aware of the Party model of impersonality and rationality, but they did not experience the emotional atmosphere of the Party in this way. Rather, they report internal espionage, fear, and distrust. Especially in more recent years, it was the activism, the

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sense that "something was getting done," that pulled. In many instances, joiners seem to have been importantly influenced by the "wave of the future" premise. To this reviewer, one of the mildly astonishing findings is the extent to which people became Communists with only the vaguest notions of the Party's ostensible goals—let alone its theory. As Almond points out, however, this does not mean that all or many of the converts were just "innocent dupes of the Party."

The appeal of the Party has varied substantially from place to place, group to group, and time to time. Almond says, "We must talk of types of appeals, to various types of persons, in different kinds of situations." Economic considerations, social disorganization and personal social isolation, the "secular religion" appeal, private psychological susceptibility, and strictly institutional political factors are all shown to have a place. But a pat formula is impossible. The largest proportion of joiners from urban-industrial areas came from middle- and low-income groupings but not from poverty-stricken homes. The relatively small percentage who reported high-income backgrounds were primarily intellectuals and professionals. Occupation and education ordinarily correlate with social origin, though there are national differences here. The evidence is not conclusive, but it does not appear likely that this sample was characterized by downward social mobility. A large number of the respondents had either withdrawn from religion or had actively rejected it before joining the Party.

There were many persons who had strong and compulsive needs to attack authority. "The American and British respondents in particular included a large proportion of emotionally maladjusted individuals who were seeking to solve their emotional problems by attacking society." This tendency for the total sample is indicated by the fact that only 25 per cent began to engage in radical activity after the age of twenty-three. Revolt against the immediate family does not bulk prominently, however. The largest single group of respondents possessed a left-wing family background. Fifty-four per cent first joined a front organization. More than twice as many of the middle-class ex-Communists manifested neurotic tendencies as compared with the working-class group. A somewhat higher proportion of the later recruits exhibited neurotic problems.

To an anthropologist, some of the national differences are fascinating. Seventy per cent of those joining in the United States are classified as motivated by self-oriented interests, with all three other countries falling under 40 per cent. Group-related interests fall from 54 per cent in France to 26 per cent in England. The French Party seems to have

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the largest core of fully indoctrinated and dedicated militants. The Italian Party, while numerically large, may be one of the least well-integrated and indoctrinated. The British include a very small number of persons who had studied Communist doctrine at the time of joining. The British Party stands out for lack of stress upon hatred of the "enemy." A sizable part of the leadership and membership of the American Party is of foreign birth or parentage, but total membership has never been high. Almond concedes soundness "in the most general sense" to Philip Selznick's hypothesis concerning the erosion on an unprecedented scale of older primary and community ties and loyalties in the United States. Yet he criticizes Selznick's sociological determinism and his underestimation of human capacity to create new and satisfying bonds rather quickly. Surely the facts are on Almond's side. Selznick's theory to the contrary notwithstanding, this country has proven vulnerable to subversion to only a trifling extent. The problem of adjustment for former Party members appears more grave in France and Italy than in the United States and England. "In general, the 'moderateness' of the British party as well as of British policy toward the party reflects a general society confident of its solidarity, ready to tolerate deviance because it is basically secure." The communism of Western Europe is less "stomach" communism than "heart" communism, "since what is involved in most cases is not so much hunger, as feelings of rejection and neglect." Almond sums up by saying that "while Communism in the United States and England may be viewed as an aberration, in France and Italy it takes on the proportion of a sub-culture."

The final chapter abandons somewhat the austere detachment of the first twelve chapters: "The history of Communism may be told in terms of the degeneration of its political ethics. . . . This is not the first occasion in history in which a movement purporting to seek the highest humane ends has in fact achieved their obverse." These sentences are less detached, but they still correspond to objectively demonstrable fact. Some of the policy implications of the research results are spelled out sensibly but eloquently. One of the most obvious but also most useful of these is the urgent need not to accept Communist mythology as veridical: the United States cannot afford to behave as if Communism in all countries and all Communists were in fact (as opposed to façade) unisolable portions of a world-wide monolithic unity.

The Appeals of Communism is both solidly and brilliantly executed. To be sure, further research involving larger samples (and perhaps samples differently selected) is needed. There are numerous small

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pedantries that could be raised. For instance, are "middle class" and "working class" a fine enough breakdown? Considering the size of the four national samples, I suspect that a finer sieve would have been inappropriate in this investigation. On major issues of method and interpretation I simply have no criticism of any substance, other than that I tend to share the point made by Alex Inkeles in his review.[5] to the effect that the book tells us *more* about the reasons for and the difficulties of defection from communism than about its appeals. Some of Inkeles' technical strictures on sampling are also well taken, although I would have weighted more strongly Almond's facing and, to some extent, meeting these problems. Other reviewers have complained that this book told us nothing about "real" (i.e., USSR) Communists. Well, in the first place, apart from the beginning doctrinal section, the book doesn't pretend to. In the second place, I would like to note that, on the basis of my participation in the Russian Research Center study of some thousands of non-returners and defectors from the Soviet Union, I believe much of what is said here holds for this group also. There are, of course, the inevitable national differences and those differences, probably increasing, between those who have lived their whole lives under communism and those who have experienced a free society. But many of the psychological and situational theses apply, in my judgment, even across these barriers.

These books all attest to the growth—and perhaps even approaching early maturity—of a study of politics that ranges itself among the various behavioral science specialties. This approach considers political behavior in some of its unavoidable complexities, ignoring the rigid boundaries of hallowed academic tradition. I think that when the history of behavioral science is written in fifty or a hundred years, these three volumes will all have an honorable place and that at least *A Study of Bolshevism* and *The Appeals of Communism* will have a distinguished place.

[5] *American Sociological Review*, XX (1955), pp. 239-40.

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A CARTESIAN HISTORIAN

By WILLIAM H. McNEILL

A. J. P. Taylor, *The Struggle for Mastery in Europe, 1848-1918*, New York, Oxford University Press, 1954, 638 pp. $7.00.

I

THE writing of history inevitably combines a statement of more or less objectively true facts with a point of view which gives order and meaning to them. Both his facts and his viewpoint are likely to give an ambitious historian trouble. The mass of material available to modern European historians is dishearteningly large. It remains disheartening even when the field of interest is deliberately limited to seventy years of diplomacy among the Great Powers of Europe and when it is further restricted by omitting their colonial and overseas dealings with one another, as A. J. P. Taylor does in his new book, *The Struggle for Mastery in Europe, 1848-1918*. The admirable bibliographical essay which he appends to his volume makes this all too clear. As he says himself, he has seen the bindings of all the books he there cites; and his pages testify that he has looked at the inside of most of them.

Mr. Taylor's book gives every evidence of an energetic exploitation of the published diplomatic papers pertaining to the Great Powers in the years he has chosen to describe. The scale of his researches and the mass of information he has distilled into the pages of his book make it a remarkable achievement. Only if one did again what Mr. Taylor has done, and read his sources afresh, could one presume to pass an informed judgment on the accuracy of his facts. This I have not done. Nevertheless, I have no doubt that his factual accuracy is of a high order; and this book will serve students and others as a convenient place in which to look up information, for the narrative is both lengthy and, within clearly defined limits, compendious.

Nevertheless, it is not this aspect of his work that gives character to Mr. Taylor's book. I am not aware that he has revealed any materials which had not already been published in documentary collections or been ferreted out for decent burial in learned journals. This is what one should expect. A survey of seventy years of diplomacy must select from and give an order to the vast mass of knowable facts; and the excellence of such a book and its failings will depend primarily on the art and wisdom with which selection and ordering are done.

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By this standard, Mr. Taylor's book has some grave shortcomings. Yet in my opinion he deserves credit for facing the necessity of selecting and ordering his materials according to a consciously recognized principle. Many historians—perhaps mostly those of an older generation—hoped that factual accuracy and a resolute faithfulness to their sources would see them through; that a satisfactory order and intelligibility would emerge from the facts themselves without conscious and deliberate artistry on the historian's part. Not so Mr. Taylor. He does not expect his facts to speak for themselves, but offers an obbligato of his own to explain their relevance and relations. The result is an artistic and intelligible book of history; a book eminently satisfactory so long as one accepts the author's scheme of interpretation.

Here we confront an odd dilemma. The more rigorously and systematically a history is constructed, the more skillfully its facts are organized and reduced to an intelligible order—in short, the more perfect the book becomes from an artistic and logical point of view—the more it may appear, if the reader resists its organizing principles, to be a falsification and propagandistic distortion of truth. This was what impelled historians to eschew conscious organizing of their materials, in the hope that a truth beyond party or ideology, personal subjectivity or bias, might shine forth. But the consequence was either confusion or dullness or both: unintelligibility in either case, and the reduction of history to catalogue or chronicle.

Mr. Taylor's book is neither confused nor dull. Yet I do not find his general scheme of interpretation adequate, and I sometimes feel that he has seriously distorted the truth by fitting his facts to a Procrustean bed of theory.

What, then, is his theory? Since Mr. Taylor is thoroughly conscious of what he is about, he uses his very first pages to set forth the principles he intends to follow. His propositions may be summarized as follows: since the Great Powers of Europe have always lived in a Hobbesian state of nature, war is normal; but "in fact, Europe has known almost as much peace as war; and it has owed these periods of peace to the Balance of Power" (p. xix). Efforts to escape from the "perpetual quadrille of the Balance of Power" have sometimes taken the form of bids for supremacy through conquest by a single state, and sometimes "men have tried to supersede the sovereign state as much by a universal moral law as by an overwhelming armed force. They have sought an 'ideology' to substitute for the worship of Leviathan" (p. xx). But, though efforts at conquest and ideological crusades characterized the years before 1848 and after 1918, between those dates "ideologies were

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a minor theme . . . and the Balance of Power worked with calculation almost as pure as in the days before the French Revolution" (p. xx). Thus, "The European Balance of Power is the theme; and the book ends when this theme is dwarfed" (p. xxi). With a rigorous consistency, what Mr. Taylor puts in, what he leaves out, and the interpretation he puts on events are governed by this definition of his theme.

It is perhaps captious to call attention to the somewhat arbitrary character of such a procedure. Mr. Taylor is well aware that ideological considerations were not absent and sometimes affected the diplomacy of the Great Powers of Europe even in the second half of the nineteenth century. Thus he points out that one reason why France stood aside in 1866 when Prussia went to war against Austria was that Napoleon III conceived himself as a patron of the national principle—even in Germany. But this observation interrupts the scheme of his book, and one feels that Mr. Taylor would like to scold Napoleon for failing to understand that he lived in an age of balance of power, an age in which romantic nonsense had no proper place. Indeed, a reader with no knowledge of the general course of European history would scarcely divine from Mr. Taylor's pages that nationalism was one of the moving forces of the age he is dealing with; and, except for a brief but brilliant introduction, there is no consideration of the changing substance of the power—industrial, military, logistic—whose balance statesmen were supposed to maintain.

Presumably these omissions arise only partly from Mr. Taylor's own choice, for his book is part of a projected series, the *Oxford History of Modern Europe*; and other volumes will deal with the internal history of separate countries, with intellectual movements, and with the activities of Europeans overseas. Any large cooperative work involves occasionally awkward demarcation between volumes if repetition is to be avoided, and in this instance it is obvious that the editors have rigidly defined and Mr. Taylor has carefully adhered to their delimitation of his subject. If the result is a narrative artificially detached from the social ambience of which it was in fact an integral part, only the principle of collective authorship is to blame. The book perhaps suffers that the series may gain.

II

What will first strike the reader of this book is its style. Sober and sometimes confusingly compressed narrative—I wish, for example, that all writers of diplomatic history would repeat and repeat again the year with which they deal and not, as Mr. Taylor does, leave the reader

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adrift in a sea of Mays and Octobers whose annual identity can only be established by careful examination of context—sober narrative is punctuated by all manner of *bon mots*, paradoxes, irony, and wit. Supercilious condescension runs through most of them. For instance: ". . . there is nothing more disastrous than a committee of extremely able men" (p. 52); "Men always learn from their mistakes how to make new ones" (p. 111); "His [Lord Roseberry's in 1892] main task was thus to deceive both his chief and his colleagues, a task which he discharged conscientiously, but only at the cost of aggravating his naturally nervous temperament to the point of insanity" (p. 341); ". . . the Hapsburg monarchy brought on its mortal crisis to prove that it was still alive" (p. 521).

However much one may enjoy some of Mr. Taylor's more devastating witticisms, it is hard not to turn one of his own barbs against him, when he says of Alexis de Tocqueville: "This attribution of unworthy motives . . . is characteristic of the intellectual in politics" (p. 34). With the single exception of Bismarck, whose mind was obviously more congenial to Mr. Taylor's than most and who saw his task in terms closely akin to those Mr. Taylor assigns to the whole epoch, the monarchs, ministers, and diplomats who populate the pages of this book appear as pygmies, knaves, and fools. And even Bismarck, "the undisputed master of the diplomatic art" (p. 143), is elsewhere apportioned his share of unworthy motives (e.g., p. 288).

This displeasing quality is due partly, I think, to Mr. Taylor's love of a telling phrase which leads him into deliberate exaggeration from time to time. Partly, too, his sardonic temperament may account for his tone. But, more fundamentally, it reflects the straitjacket Mr. Taylor seeks to impose upon the actors of his history. The statesmen of that or any other age were not calculating machines, registering tremors in the balance of power with seismographic accuracy; but Mr. Taylor would have them so. Hence, when they failed to react to such tremors, or reacted in a confused and uncertain manner, it becomes easy for Mr. Taylor, from the vantage point of his study, to smile or sneer at their obvious incompetence.

That is to say, Mr. Taylor has set before himself an ideal of how diplomacy ought to have been conducted, and when he finds that the diplomats fell short of his ideal—sometimes, indeed, were so stupid as to be blithely unaware of what they ought to have been doing—it irks him. Their irrational and improper conduct spoils the simplicity and elegance of his history, and provokes reprimand. The lengths to which he sometimes goes are truly surprising. For instance: "In the eighteenth,

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and even in the early nineteenth century, the Black Sea and the Near East had been the decisive sphere of Russia's imperial ambitions. They were ceasing to be so. Russia's imperial future lay in Asia; her only concern in the Black Sea was defensive. The Balkans offered trivial prizes in comparison to those of central Asia and the Far East. But this could not be appreciated by a tsar and by statesmen who had suffered the humiliation of loss of territory and the compulsory demilitarization of the Black Sea. Russian diplomacy concentrated for a generation on the wrong object" (p. 91). But surely, according to all ordinary usage, the "decisive sphere of Russia's imperial ambitions" was whatever the tsar and his advisers thought it to be? And if, from time to time, they wanted to annex Constantinople, surely Russia's interests in the Black Sea area were at times something other than defensive, in the usual meaning of the word. But if I understand Mr. Taylor aright—and I find this and related passages of his book very puzzling—the *real* interest of Russia, that is to say, what Mr. Taylor thinks would have been the most profitable field for the aggrandizement of the state power of the tsarist bureaucracy, was different; and the folly of the rulers of that country prevented them from playing the game of power politics as they would have done had they accepted Mr. Taylor's principles (scorned pan-Slavism, for instance) and enjoyed his hindsight.

This is understandable, if somewhat bizarre. But when Mr. Taylor seems to shift back and forth between the "real" interests and the mistakenly understood interests of a state, without making clear which he is talking of, strange results sometimes appear. At least eleven times (pp. 51, 54, 91, 294, 317, 322, 347, 358, 483, 504, 542) he says that Russia's concern for the Balkans and Straits was purely defensive, often as a preface to an account of one of Russia's schemes for taking control of Constantinople; and when in 1915 Britain and France assigned that city to Russia as her share in the dismemberment of Turkey, he comments: "In this way, the 'Crimean powers' at last gave theoretical approval to Russia's ambitions at the Straits—ambitions which were, in practice, unwelcome to the Russians themselves" (p. 542). What can that last clause mean? To whom in Russia was the prospective acquisition of Constantinople unwelcome?

I can only suppose that this and the parallel anomalies in his text arise from his shifting back and forth between the "real" interests of Russia—defensive—and the interests (or sometimes moral duty?) of Russia as actually interpreted at the time by that country's rulers. On Taylor's own showing, the latter can scarcely be described as uniformly defen-

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sive, unless the term is stretched beyond recognition until the difference between defense and offense disappears.

The less flattering interpretation of these passages is to suppose that in Mr. Taylor's eyes Russian expansion is always defensive or, in Asia, "inevitable" (p. 298), while only Western nations can be aggressive. But his account of Russian intrigues in Manchuria and Korea in 1903-1904 (pp. 417-18) suggests that no such simple-minded fellow-traveling adequately explains his point of view; although, so far as I am aware, Communist rehabilitation of the tsarist past has not yet made the Russo-Japanese War into an unprovoked attack by capitalist warmongers upon the motherland of socialism.

Another factor which may help to explain the extraordinary emphasis Mr. Taylor puts upon Russia's defensive attitude in the Straits and Balkan areas is this. English public opinion from the time of the Crimean War until after the end of the nineteenth century was frequently exercised over the "Eastern Question," and exaggerated fears of Russian aggressive intentions against the "lifeline of the British Empire" more than once took hold of the public imagination. This tended to color diplomatic histories, especially as written by Englishmen, who were naturally inclined to emphasize Anglo-Russian rivalry for imperial position in Asia. But Taylor is intent to show that diplomacy really revolved around the balance of power in Europe—or ought to have done so. In pursuit of this thesis, he is led to discount British and French fears by denying the offensive character of Russian intentions, even when expansionist plans are attested in the diplomatic documents of the time.

Now there is something to be said for revision of traditional British and Western views of this question. After all, the line between offense and defense in either war or diplomacy is largely subjective: what seems offense to one side seems simple precautionary defense to the other. No doubt the Russians normally thought their plans in the Balkans and Straits areas were defensive, while the same plans seemed offensive to the Western powers. It is fruitless to argue which was right; the more so when different temperaments and schools of thought existed within the Russian official family, as they also did on the British and French sides. One may attribute Mr. Taylor's extreme statements to his natural desire to challenge the traditional viewpoint of his countrymen and shock his readers into a reconsideration of the whole matter. But he has exaggerated his case, much as did his predecessors who at every turn saw Russia as a bogey to India.

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III

There is a profounder difficulty which Mr. Taylor's habit of bold interpretation raises in an unusually clear fashion—a difficulty which I think faces any serious and reflective historian. The problem may be illustrated by his analysis of the Crimean War. Concerned as he is to relate all diplomacy to the European balance of power, Mr. Taylor is forced to assert that neither Russian nor British nor French statesmen knew what they were really doing. Thus we read: "The real stake in the Crimean war was not Turkey. It was central Europe; that is to say, Germany and Italy" (p. 61). Perhaps so, and Mr. Taylor makes a better case for this surprising conclusion than the isolated quotation may suggest. But even he recognizes that the diplomats and soldiers, not to speak of the general publics of the belligerent nations, thought otherwise. If they were really struggling for the hegemony of central Europe, they were unaware of the fact.

Now it will not do to reject such methods of analysis out of hand. Men are not always aware of what they are really doing. That is to say, they are usually mistaken as to the full consequences of their acts, and the long-term importance of such unforeseen consequences may far outweigh any intended result which is achieved. Hence it is not ridiculous for an historian, able to survey the wider ramifications of particular acts of policy as they revealed themselves in subsequent times, to find meanings, turning points, and issues in human affairs which quite escaped the attention of the actors themselves. But in doing so a certain modesty and tentativeness of assertion are becoming; traits which Mr. Taylor's mind conspicuously lacks. Instead he is loftily omniscient, and attributes "real" stakes and motives with a generous hand. To take a few examples: he sees that by 1905 the Germans' "real object, not formulated even in their own minds, was to establish peacefully their predominance over the Continent, and thus be free to challenge the British empire overseas" (p. 427). Again, "With Poincaré, himself the legal adviser of Schneider-Creusot, heavy industry came to power" (p. 486). Or again, the Serbs' "real motive was that, being in occupation of most of Macedonia, they were unwilling to withdraw from it" (p. 497).

Statements such as these involve different degrees of removal from the raw source material of history. Thus in 1913, when the Serbs quarreled with the Bulgars over possession of Macedonia, no official record or public statement avowed their "real motive" as Taylor discovers it; yet few would doubt that many Serb leaders did in fact and in secret

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feel what Taylor attributes to them. His interpretation of the significance of Poincaré's accession to the French premiership is more delicate. Poincaré himself was surely unaware that he brought heavy industry to power; so were the French people at large. Conceivably a few captains of industry in France felt something of the sort, though Taylor brings no evidence of it, and the feelings, if real, must have been shot through with an uncertainty which Taylor's sentence does not suggest. And in the most extreme case, as Taylor explicitly says, the Germans were unaware of their own "real object."

Such paradoxes are common among historians; Taylor differs from the ordinary only in the boldness with which he lays down unqualified statements. I must confess that his boldness bothers me. How does he know so much? How can he be so sure? Yet I would not shackle the historian to a simple recitation of what men did and said, nor compel him to take at face value men's professions of motive and their own evaluation of their acts. The analytic insight into human affairs which the historian may bring to his material, and still more important, the wisdom of hindsight, must and should have some scope. Otherwise a real dimension of the social process is disregarded, and historical study descends toward meaningless confusion.

What proper limits are there to such a recasting of the past in the light of the historians' own views and knowledge? I have no theoretical answer to this question, and can only say that what Mr. Taylor does often seems too high-handed for my taste. Perhaps all this means is that my personal views and insights do not conform to his.

Yet I am loathe to admit that my dispute with him is merely a matter of taste, and it seems to me that a fundamental defect in his mind can be pointed out—a defect which is not simply subjective to me, and which would cause most thoughtful men to convict him of falling short of a sound historian's ideal. This defect may be described as a lack of sympathy with the men and times he describes. I mean sympathy in its strict sense: a capacity to feel with the men about whom he writes. The book is an intellectual, almost a mathematical, exercise in power politics, not so much as things were, but as they might have been if men were exempt from all the passions and private vagaries which made them human. His book has no place for grandeur or heroism. No suffering, no sentiment, are allowed to intrude. Idealism as much as wanton crime is banished from Mr. Taylor's view of the world; and if there is little to admire, there is also nothing to abhor. His actors are fools or scoundrels or both; and reluctant admiration is reserved for clever scoundrels like Bismarck, though even in this case

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Mr. Taylor cannot forbear from suggesting that Bismarck was not always clever.

Human life does not seem so dismal as this to most men who experience it. I for one do not believe it resembles Mr. Taylor's image. Even the somewhat artificial life led by diplomats is not so simple, so rationalized, so geometrical as his scheme would have it. Taylor might, indeed, be called a Cartesian historian—abstracting from history all that made it human in order to achieve a clear and definite idea. I fully believe that any effort to penetrate the core of a man's life, still more of a nation's policy, must involve intuition and hypothesis quite as radical as any of Mr. Taylor's flights. But without a wider sympathy than I see in his book, good history cannot be written. Any scheme as abstract and mathematical as his seems destined to distort the untidy complexity of human behavior to a point which makes the historian himself a fool and a knave, more akin to the puppets he puts on his page than he might care to admit. Perhaps, as has been said of the gods, Mr. Taylor has created his history in his own image.

IV

A corollary of Mr. Taylor's rigorous logic is the absence of all surprise or uncertainty in his version of events. Everything seems to happen inevitably. No unforeseen or unforeseeable turns are allowed to mar the smooth façade of his interpretation. Entities labeled Britain, France, Italy, Germany, Austria, and Russia dance through his pages in the courtly style of the eighteenth century, with all their moves laid down in advance by the rules of balance of power. Indeed, the only important reality becomes the forms of the dance.

I do not wish to imply that calculations of balance of power were not a real influence on the diplomacy of the period; nor do I intend to deny that within limits the concept of balance of power offers a useful clue to the confusing maze of the documents. But I boggle when the balance of power becomes a metaphysical Being, operating above and beyond the consciousness of the diplomats of the time to determine their actions, thoughts, and opinions. I boggle, too, when the impersonal regularity with which the balance worked is emphasized so much as to obscure the confusion and uncertainty which pervaded and pervade decision-making in diplomacy as elsewhere. After all, states do not have a will and consciousness of their own, as Mr. Taylor points out (p. xxi); and the men who took (or failed to take) action were fairly ordinary men for the most part, prey to all the crossfires of private, clique, and national interests, subject to complex emotions,

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and affected by various ideas which bore an extraordinarily complicated relation to the interests that played upon them. Uncertainties and ambiguities were normal, unavoidable; surprises constant. For the most part the diplomats acted in the dark, and committed themselves to hopes and fears in full ignorance of what the morrow might bring. Little indeed of this atmosphere appears in Mr. Taylor's book. Things were seldom what they seemed at the time, no doubt of that; but in what sense was the reality like Mr. Taylor's image of it?

Now one may believe that human history is predetermined. Perhaps Mr. Taylor does believe so. Perhaps he feels that diplomacy moved along grooves inherent in the nature of things. But even if this were so, and even if free will were nothing but an illusion of human minds, it would still be true that the forces determining diplomatic actions must be far, far more complicated than Mr. Taylor's rationalistic calculation of balance of power makes room for.

My criticism of this book may leave too strong a negative impression. While I find Mr. Taylor's intellectual position inadequate and even repugnant, I am prepared to admit that his one-sided emphasis on the balance of power within Europe may usefully challenge some of the traditional emphases on the Eastern Question in diplomatic histories of the nineteenth century. One must admire his clarity and industry. By ordinary standards, it is a good book; it merely falls short of greatness. And his sardonic style makes the book far better reading than diplomatic histories usually are. To quote Hilaire Belloc: "His sins were scarlet, but his books were read," and quite deserve to be.

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THE SOCIO-HISTORIC APPROACH

By BENJAMIN SCHWARTZ

Karl Mannheim, *Essays on Sociology and Social Psychology*, New York, Oxford University Press, 1953, 319 pp. $4.00.

Hans Gerth and C. Wright Mills, *Character and Social Structure: The Psychology of Social Institutions*, New York, Harcourt, Brace and Company, 1953, 490 pp. $6.00.

THE two volumes under review, while differing considerably in value and content, are both illustrative of what might roughly be called the socio-historic approach. They thus belong to a stream of thought which, having its beginning in the early nineteenth century, continues to play a dominant role in our day. The most spectacular current within the stream is, of course, the Marxist, but its basic assumptions are accepted by many who consider themselves far removed from Marx and all his works.

What are some of the basic metaphysical assumptions of this approach, as they emerge in these volumes?[1] One basic assumption which the socio-historic approach shares with all forms of "general sociology" is the notion that social structures (or, in the case of the socio-historic approach, social processes containing structures) are self-contained entities with lives of their own which largely determine both the behavior and consciousness of the individual human beings within their orbit. The classical formulation of this sociologism is to be found in Marx's statement in his *Theses on Feuerbach* that "the essence of man is no abstraction dwelling within the isolated individual. Actually it is the totality of his social relations." Essence, as Marx uses this notion, implies much more than essence in the usual philosophic sense. It implies the presence of the dynamic principle lying at the base of all human behavior. There is a natural tendency on the part of the more aggressive schools of sociologism to reduce the "isolated individual" to as rudimentary a model as possible, thus allowing full scope to social structure as a determining factor. Were it not for the annoying fact that the individual assumes the form of a biological organism, they might be able to claim him entirely.

[1] Many may dispute the use of the ill-favored word "metaphysical." They would insist that their assumptions are methodological, not metaphysical. In the first place, there can be little doubt that in the two volumes under review the assumptions are metaphysical. Secondly, there is room for doubt whether the line between methodology and metaphysics is really as sharply drawn as has been implied. As soon as a methodology begins to account for change in terms of a given scheme of causation, as soon as it points to the existence of dynamic principles, it has entered the sphere of metaphysics.

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It is interesting to observe that both Mannheim and Gerth and Mills claim to be reacting against an overweening sociologism in the direction of a greater concern for psychological and biological factors. In the case of Mannheim, as we hope to demonstrate, some fresh questions concerning the relations of the socio-historic process to the individual do indeed emerge. In the case of Gerth and Mills, their bow in the direction of psychology seems to the present writer quite spurious and nominal.

Another premise of the socio-historic approach and one which differentiates it from "general sociology" is, of course, its historicism. As opposed to the general sociologists, who attempt to prescribe the general social categories and structures which account for all human societies in all times and places, the socio-historical school boasts that it can account for social change, for the transformation of one social structure into another. This is done simply by assuming that the proper analogue of the social system is not the mechanical system, but the biological organism. A social system, as an entity, bears within itself immanent powers of growth and self-transformation. Or, put somewhat differently, the whole socio-historic process may be compared to a living organism in which the various emergent social structures may be considered as so many stages of growth within the over-all process.

It is interesting to note, however, that while both volumes accept these premises wholeheartedly, there is a wide and significant divergence between their concepts of the scope of the socio-historic process. With Mannheim, the scope remains relatively restricted. It is made up of the fabric of social relations, and the term "social relations" is rather strictly defined. The "isolated individual" still possesses a psychological apparatus fairly rich in content. For one thing, he still possesses a mind which frames ideologies and value systems. His private world is still many-dimensional, even though its behavior (at least in Mannheim's earlier essays) is almost wholly conditioned by the socio-historic process. With Gerth and Mills, the precincts of the social process are much wider. It contains or possesses its own value systems, roles, symbol spheres (a concept that embraces almost all culture, as the cultural anthropologists conceive that term), etc., as sub-organs, as it were, within its totality. This divergence in the definition of the social, as we shall find, has rather significant implications for the whole outlook of the two volumes.

I

The Mannheim book is a posthumous collection of his essays, se-

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lected by Paul Kecskemeti. It includes two fairly early essays ("A Structural Analysis of Epistemology" and "Conservative Thought") and several which represent the later development of Mannheim's thought during his stay in England. Taken together, the earlier and later essays provide a good bird's-eye view of the major lines of his development.

We shall not attempt to enter here into the involved philosophic issues raised in Mannheim's doctoral dissertation, "A Structural Analysis of Epistemology." In general, it attempts to fix the scope and limits of epistemology. The essay does remind us most forcefully that the thought of Mannheim, Weber, and other German sociologists emerged in an intellectual environment still heavily saturated with philosophic concerns. Whatever may have been the disadvantages accruing from this circumstance, its great advantage lay in the fact that these gentlemen were clearly conscious of the fact that they were operating from philosophic premises and, as in Marx's formulation cited above, were able to state their own presuppositions quite succinctly. They also could not help but be aware that their own presuppositions were juxtaposed to contending presuppositions that were to be found in their own immediate environment. However dogmatic their assertions may appear, one derives from reading them a sense of their conscious involvement in the titanic intellectual conflicts of their times. Gerth and Mills, while drawing their presuppositions from a variety of sources, evidently share the American social scientific conviction that they are operating in an area of "science," sharply differentiated from the suspect area of philosophy. Thus their dogmatic assertions are unaccompanied by any extensive justifications or any sense of awareness that alternative modes of thinking exist in the contemporary world.

As the editor states, the essay on "Conservative Thought" is valuable as an "empirical test of the sociology of knowledge" (p. v), at least in its pre-Nazi phase. As such, it is not entirely convincing to one who does not share the presuppositions to begin with. The effort here is to show how given "styles of thought"—liberalism, conservatism, and socialism—are "linked up with the fate of the groups which must be considered as their social carriers." The carriers in this case are the capitalist bourgeoisie, the German aristocracy, and the proletariat. The general procedure is to point out that certain types of thinking have emerged simultaneously with the dominance of certain strata. To one imbued with the cultural anthropological approach, all that this simultaneity proves is that the dominance of the strata in question and the emergence of given "styles of thought" are both part of the same over-

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all cultural development. However, there are many more specific questions raised by the essay. Mannheim's description of the bourgeois ideology closely approximates the French enlightenment version, and thus fails to explain the role of the evangelical revival in England and America. It does nothing to clarify the differences between British empiricism and French rationalism. That socialism (by which is meant Marxism) is the authentic ideology of the proletariat is a notion accepted without further discussion. It was, no doubt, the role of the Social Democratic Party in Germany which led to this uncritical imputation. We have here, however, a clear instance of how such uncritical genetic imputations can prove a bar to further thought. Finally, in his discussion of conservatism, Mannheim succeeds in demonstrating that the basic premises of German conservatism—historicism, the priority of the collectivity over the individual, the predominant role of institutional development—are actually shared in full by the Marxist left. The differences which he finds between them seem fairly trivial when compared with these identities. What Mannheim has demonstrated, if anything, is that in periods when certain powerful ideas are dominant, such ideas are likely to be appropriated in somewhat different versions by the most diverse interest groups. One need not doubt the general proposition that ideas are used by interest groups to serve their own ends. Nevertheless, it remains doubtful whether the essay throws any considerable light on the complex question of the origin of ideas. Furthermore, as we shall later find, Mannheim himself soon abandons the notion that the fate of an idea or a value is indissolubly bound up with the fate of its "social carrier."

However, the main interest of the book lies in the concluding essays, which reflect the final phase of Mannheim's development. As Mr. Kecskemeti indicates in his perceptive introduction, the Nazi experience is most crucial to an understanding of Mannheim's later concerns. Until the rise of Nazism, Mannheim had—as Kecskemeti points out—tended to say "yes" to the socio-historic process. His own particular brand of utopianism involved the belief that in the past man had been prevented by his social conditioning from achieving an adequate and unobstructed view of reality. In our own day, there finally emerged a peculiar social group—unlike any that had ever existed before—whose consciousness was completely adequate to reality. This free-floating intelligentsia, this embodiment of sociological intelligence, was able to unmask the partial, one-sided ideologies of all other groups and was thus capable of achieving an adequate synthetic view of the world.

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Here, at last, thought was in a position to determine behavior. Mannheim never seems conscious of the naïve arrogance implicit in his assumption that it was precisely his own generation and precisely the social development of Germany which had made this miracle possible.

Before the rise of Nazism, the task of the unconditioned intelligentsia was conceived of as relatively uncomplicated. Since the social process was moving in the right direction, all social groups were amenable to education and were thus open to an ultimate realization of the partial and inadequate nature of their group ideologies. It was fundamentally the task of the intelligentsia to fill the role of the educators.

With the emergence of Nazi totalitarianism, Mannheim suddenly confronted an unanticipated, ghastly world. The march toward the concentration of social power which he had hitherto regarded as both inevitable and desirable had produced bitter fruit. The social trends which should have engendered pure mind had engendered psychopathology instead, and had incidentally ridden roughshod over values which Mannheim had long taken for granted. Instead of bowing to the inevitable, however, Mannheim proceeds to reconsider the relations between the social and the psychological. The social process can no longer be relied upon to create spontaneously a proper psychology within the individual. It has to be controlled and channelized in such a way as to preserve those values of individuality and personality which Mannheim cherishes. The free-floating intelligentsia can no longer confine its attention to education. It must become a class of planners which, by placing its hands on the controlling levers of the social mechanism and by creating proper psychological conditions, can drive the whole process in the desired direction. Mannheim rebukes those intellectuals who "reject the ideas of personality and individuality, very often for merely dogmatic reasons, arguing that they belong to the age of liberalism which definitely belongs to the past." Yet, it is ironic to note that, in arguing thus, these intellectuals might have drawn their inspiration almost exclusively from Mannheim's own earlier works.

It now falls to the planners to create an environment which will preserve and foster individuality and personality, even though the social process inevitably moves toward concentration of power. In doing so, they must pay close attention to the workings of the individual psyche, as well as to the dynamics of the social process. The masses of mankind are, of course, as subject to conditioning as ever. Their fate, however, will now be determined not by the blind and erratic spontaneity of the socio-historic process, but by an environment created by the

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planners, who understand both the socio-historic process and the individual psyche.[2]

There are instructive parallels which might be drawn here between Mannheim and Lenin. Lenin had also come to lose faith in the ability of the socio-historic process to fulfill its own immanent destiny without guidance from above. In his case, the guidance was to come from the professional revolutionaries, who would constitute the vanguard of the proletariat. In actuality, in spite of the presumed linkage to the industrial proletariat, this vanguard would be drawn from roughly the same stratum of intelligentsia which was to furnish Mannheim's planners. Furthermore, like Mannheim's planners, this vanguard would be equipped with a master science which would enable it to steer the ship of history on its proper course. However, we are soon struck by important differences between the two. Lenin's constant immersion in the political struggle forcefully calls to our attention the fact that Mannheim nowhere discusses the question of how his planners are to be brought to their positions of control. Presumably, he is unable to picture them in the role of practical politicians engaging in the struggle for power. This difference between Lenin and Mannheim may largely spring from differences in personality. To some extent, however, it may also spring from the logic of their basic conceptions. Lenin's proletariat—represented by its vanguard—is still an interest group struggling with other interest groups. At the same time, it is a class destined to confront truth in all its effulgence. It can thus engage in the turmoil of the struggle for power without losing its infallibility. Mannheim's planners are no longer an interest group. They are, as it were, pure mind incarnate. His hope that they will be brought to the levers of control seems to rest on a vestigial faith that, in the Western democracies at least, the socio-historical process may, after all, still be moving in the right direction.

It is impossible to attempt a discussion here of all the doubts raised by Mannheim's notion of planning for freedom and individuality. The most obvious doubt which immediately comes to mind is whether there does indeed exist at present a science which would make it possible for Mannheim's planners to do what he would have them do. Here, are we not in the realm of sociological mythology? Nor does Mannheim give us any solid grounds for believing that his socio-psychologic planners would necessarily share his values. Presumably,

[2] In discussing the whole matter of planning, there is no intention here of implying any view on the issue of economic planning. Mannheim's conception of total socio-psychological planning is a conception of quite a different order.

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their choice of values would be a genuinely free one. Actually, it would be much easier for them to use their manipulative power to create a conformist society than a society which sedulously preserves an area of individuality.

In his discussion of the values of freedom, personality, and individuality, Mannheim at times seems to refer to the preservation of an inner spiritual life, and at one point he cites the Catholic Church as an institution which "aimed at a kind of totalitarian planning" and yet, in the monastic institution, managed to plan for a realm of "individualization." Is it historically correct, however, to assert that the Catholic Church "planned" the monastic institution? In point of time, the emergence of monasticism actually preceded the emergence of a fully crystallized Catholic Church. Would it not be more correct to say that the Church accepted the institution and simply permitted a realm of individuality, in this sense, within its framework? The planning here consists of an abstention from conscious planning.

At other times, when using such words as "freedom" and "individuality," Mannheim refers to the freedom of individuals and groups to "experiment with varying situations in life." If this means anything, it means that individuals and groups will be confronted with genuine possibilities of choice, which further means that not all choices will be made for them. It is of course true that ruling elements in a given society can often determine by their policies whether the masses of men will have any possibility of choice within a given area of activity. There is room for doubt, however, whether in Mannheim's universe they have any inherent ability to make a choice, even when confronted with one.

There can be no doubt of Mannheim's sincere commitment at the end of his life to the values of individuality and freedom. The question remains whether his assumptions provided any ground to support his commitment. No matter how strenuously he tries to provide an area for individuality, all that seems to emerge is a more subtle totalitarianism in which men will not realize that they are being manipulated. That Mannheim himself was troubled is indicated by the very last essay in this book, "The Sociological Approach to Personality," which betrays a distinct anxiety about the nature of the completely manipulated society. Here Mannheim entertains a thought that is subversive to his whole system: the reaction to stimuli of living organisms, and particularly of men, "is not determinate reaction but possible response." While still assuming that sociological and psychological knowledge can now "penetrate to the core of the self," he suddenly wonders whether this knowledge should be used as a basis for planning society. Mannheim's

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whole development thus terminates in a mood of troubled questioning.

II

When we turn to Gerth and Mills, we are back in a world of untroubled consistency. Here the socio-historic approach reigns supreme and, indeed, in a much more all-embracing form than is to be found in Mannheim. As already indicated, their model of the isolated individual is much more rudimentary than Mannheim's. While obliged to admit that man is a biological organism, they most resolutely restrict the area of biological causation. So far as psychic structure is concerned, in spite of their genuflections to Freud, all they find here are inchoate impulses, feelings, and perception. Perception, we learn, is socially conditioned to a great extent. Purpose and, presumably, thought (which is never discussed as a category) belong to the person, but a person is nothing more than a combination of internalized social roles which, in turn, are part of the social process. It is difficult indeed to discover what concessions the authors have made to Freudianism as an autonomous, explanatory science with a subject matter of its own.

As indicated above, the social process in this framework contains much more than social relations, in any precise definition of that term. The isolated individuals are mindless. Here most of the contents and activities which are ordinarily attributed to mind and spirit inhere, in some fashion, in the social structure. It is the social structure which has *its* values, *its* symbols, and *its* roles.

It is ironic to note in this connection that the extreme form which the socio-historic approach assumes with Gerth and Mills has its roots in America—presumably the land of eighteenth-century individualism. The most powerful philosophic influence here is George Mead, a man with whom the social process becomes, as it were, an all-embracing, immanent deity.

The book's main purpose is to establish a network of categories in terms of which the socio-historic process can be analyzed. These categories are then illumined by empirical illustrations. This writer must confess that it is precisely these "factual" illustrations which constitute for him the most trying aspect of the book. One's irritation does not spring from the feeling that all the empirical analyses are wrong, but rather from the complacent arrogance with which the authors deliver categorical judgments on a staggering variety of large subjects. In the space of one or two pages, they sum up all possible forms of human polity. In one paragraph distilled out of Max Weber (who was rather poor on this particular subject), they summarize Buddhism. In another

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few sentences, they explain the Soviet purges. This complacency evidently springs from the assumption that since they possess the correct theoretical framework, the fitting-in of the "facts" should be relatively simple. Unfortunately, the "facts" they deal with are not simply facts, but enormous complexes of human experience subject to a wide variety of interpretations. Thus, while Max Weber was undoubtedly a great and imaginative historical scholar, a thumbnail sketch of his interpretation of Confucianism is simply that and nothing more. It is not a definitive explanation of Confucianism. On the whole, there is little evidence that their theoretical framework has led the authors to any fresh insights concerning the empirical data with which they deal.

The main features of the theoretical framework are somewhat as follows: The individual consists of the biological organism and psychic structure, as defined above. The social structure is made up of institutional orders—political, military, kinship, and religious orders. The institutions within a given institutional order are composed of structured combinations of social roles, and the social role is the main channel through which the whole social process becomes "internalized" in the individual. Cutting across the order are the spheres of technology, symbols, status, and education. Broadly speaking, the spheres are the devices used by the institutional orders to bend the individual to the service of their own immanent ends.

Thus the symbol sphere, which embraces such diverse items as language, ideas, beliefs, ceremonies, art, values, etc., is a storehouse of devices used by various orders to effect their purposes through individuals. The question whether symbols symbolize anything real beyond themselves does not arise and is presumably irrelevant. It is interesting to note that, unlike Mannheim, who attempts to account for himself and the intelligentsia he represents within his over-all scheme, Gerth and Mills are sublimely unconcerned about their own place in the framework which they have established. Presumably, their book is composed of a collection of verbal symbols whose truth-value is as irrelevant as the truth-value of any other set of symbols. It is not clear, however, which institutional order these sociological symbols "uphold or justify." Presumably, in the case of Mr. Gerth, who is at a state university, they uphold and justify the political order, while in the case of Mr. Mills at Columbia they perform a similar function for a special educational order. The authors, however, are undoubtedly firmly convinced that in this case at least, symbols have important truth-values. Here again, Mannheim's constant concern with the problem of the difference between the genesis of thought and its validity (whatever we

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may think of his solution of the problem) contrasts sharply with their studied indifference.

One rather interesting difference between the two books under review lies in the rejection of holism by Gerth and Mills in their treatment of social structures. With Mannheim, social structures are held together in their totality by iron bonds of necessary relations. When the responsibility for guiding the social process falls to the planners, they must plan the social order as a whole. Gerth and Mills, on the other hand, while passionately committed to social causation, envision the social process as manifesting itself through a number of separate institutional orders which preserve a certain independence vis-à-vis each other. While this American pluralism is attractive to one who does not share the book's basic assumptions, it might be questioned whether it does not undermine the claims of the theoretical scheme as a basis of a predictive science. All that can be done is to show how institutional orders have related themselves to each other in the past and how these relationships have changed. There is really no way of predicting what the relationships are likely to be in the future.

Furthermore, if the socio-historic approach has lost its presumed predictive powers, it has by the same token become detached from the vibrant hopes for human redemption with which it was once associated. Unlike Mannheim, Gerth and Mills do not commit themselves openly to any values and maintain a *wertfrei* stance throughout. Actually, their concluding chapter, entitled "Master Trends" (Ch. XVI), betrays a certain sourness of tone about the course of world affairs. Like Mannheim, they see a general drift toward bureaucratization, centralization of power, growth of conformity—in brief, a vaguely totalitarian tendency. There is, to be sure, "a great process of social and cultural fusion under way," but there is no indication that this is necessarily a hopeful development. Unlike Mannheim, the authors nowhere indicate in terms of what positive values they disapprove of these master trends and, unlike Mannheim, they do not seem to be agitated by the burning question, what can be done about it? It is true that they end the book with the pious statement that "we can never know the limits to which men collectively might remake themselves." Actually, however, their whole theoretical scheme would imply that man in the collective is quite as helpless as man the individual. Groups are just as overwhelmingly controlled and manipulated by the institutional orders as individuals. Furthermore, their scheme does not allow them to posit a special group such as Mannheim's free-floating intelligentsia. Mannheim's individuals have minds, and to the extent that the minds of this

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particular group have become free of the distorting effect of social conditioning, they can use them to control the social process from without. With Gerth and Mills, there is no intellectual content in the psychic structure of any group which is not imported into it by the social process. "Personal consciousness," we learn, "is anchored in the social process," and thus can never effect it from the outside.

Thus, we find that while Mannheim is able to salvage precious hopes by breaking out of the bounds of a rigid socio-historic approach, Gerth and Mills remain consistently within them. Their own version of the approach, however, does not seem to offer any great predictive possibilities or any grounds for hope.

To say this is not, of course, to impugn the ultimate validity of the approach as "pure science." The fact that the approach has not fulfilled its large promises of the past would, however, suggest that the time is ripe for a reconsideration of its basic assumptions.

Such a re-examination would, it seems to me, have to begin with a fresh look at the dichotomy we find in Marx's formula between the isolated "abstract" individual and the self-contained realm of social relations.

To discover the roots of this dichotomy, it would appear that we must look back to that strain of eighteenth-century thought which first set up the opposition between natural man and the "artificial" social and cultural order which confronts the individual as an alien force. One arrives at the image of natural man by abstracting from him all his concrete social and cultural activities, thus leaving the simple model of the eighteenth-century sensationalist psychology. In the eighteenth-century version, of course, natural man is good, while civilization confronts him as an evil force.

While Edmund Burke and those of his school reverse the value judgment, they accept the basic dichotomy. Here the feeble individual with his feeble light of reason confronts the higher wisdom embedded in historic social and cultural institutions. The latter have a distinct life of their own. With Hegel and then Marx, the dichotomy assumes new proportions. The isolated abstract individual has now become a passive instrument through which a socio-historic process, endowed with a life of its own and possessing its own built-in principle of growth and change, actualizes itself.

Since Hegel and Marx, the dichotomy has become enshrined in the conventional division of spheres among psychology, sociology, and cultural anthropology (in the case of the second two, the division has not been clarified, by any means). Some of the psychological models

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have become more complex and to them the Freudians have added the "depth" dimension of the subconscious. By definition, however, they still deal with the "isolated individual" and must not poach on the sociologists' preserve.

Marx is, of course, correct when he implies that Feuerbach's eighteenth-century model of the individual cannot account for the complexities of man's historic development. However, is his solution of the problem the only one possible? Is it not possible that the dichotomy is false to begin with? If the eighteenth-century conception of the human being is simplistic, is it not possible to seek for a many-sided, richer conception which assumes that man is a social animal from the very outset? One may begin with the assumption that existent human beings possess the capacity to build institutions, play roles, and fashion cultures, and that all these are the resultant of the actions of men against the background of non-human reality.

The issue involved here is not whether the categories and patterns of relationships discovered by the sociologist are "real," but whether they constitute self-subsistent realities with dynamic principles of their own. There is also no need to deny that these social creations of men, like their physical creations, may confront them as externally imposed necessity. The question remains whether social structures are independent organisms with immanent powers of self-transformation, or whether the dynamic principles that account for their change must not be sought, for the most part, in the existent human beings who participate in these structures, whether as individuals or groups.[3] To many, any effort to seek the roots of social and cultural change within existent human beings is to indulge in mysticism. In that case, to find the potencies which lie behind historic dynamism in such entities as "social structures" might well be described as misplaced mysticism.

We are not presuming here to construct a new "theory" on these momentous issues in the space of a few paragraphs. All that we mean to suggest is that the time is ripe for a re-examination of the basic premises which underlie these volumes. The moment has come for an exploration of other possibilities.

[3] Moreover, the issue is not that of the relative role of the individual or the group. It is obvious, of course, that many aspects of man's social life could only have been produced collectively. In the socio-historic approach, the groups are just as helpless as the individual. They are also merely instruments of social structures and social processes.

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NEWS OUT OF COMMUNIST CHINA

By RICHARD W. HATCH

Communist China Problem Research Series, Hong Kong, Union Research Institute, 1953-1954:
Fang Shu, *Campaign of Party-expansion of the Chinese Communist Party in 1952*, 43 pp. $1.00.
Chung Shih, *Higher Education in Communist China*, 95 pp. $2.00.
Hsin Ying, *The Price Problems of Communist China*, 125 pp. $1.50.
Hsin Ying, *The Foreign Trade of Communist China*, 161 pp. $1.50.
Cheng Cho-yuan, *Monetary Affairs of Communist China*, 160 pp. $2.00.
Chi Tung-wei, *Education for the Proletariat in Communist China*, 73 pp. $1.50.
Ting Li, *Militia of Communist China*, 145 pp. $2.00.
Hsiao Chi-jung, *Revenue and Disbursement of Communist China*, 118 pp. $2.00.

THE American student on the trail of international communism, if he has shared my experience, has found himself beginning all over again, so to speak, when confronted by the necessity of turning his gaze from Western Eurasia eastward to Communist China. By comparison with Europe and Europeans, even with Russians, both China and the Chinese are remote and strange phenomena to the Western scholar. Nearly all of us in the West are challenged by the awareness of our general ignorance of things Asian, and, notably, by our lack of any rounded conception of the historical and cultural context of the Asian revolution of which the Chinese revolution has been one manifestation.

The past can be filled in. Needless to say, there is available ample documentation of the Chinese revolution and of the rise of Chinese communism—a sea of China lore into which the Western scholar can belatedly plunge. But it may well also appear on first approach that, after such a baptism, Communist China poses an extreme version of the long-familiar problem of keeping abreast of current internal developments in Communist-ruled countries.

True, one must come at the contemporary Chinese Communist scene without benefit of a whole collection of aids taken for granted in the Russian field. We have neither embassy nor correspondents in Peking, no direct official or private exchange of printed material. So far as I know, there is no counterpart in the field of Chinese studies to the Joint Council on Slavic Studies, or to such broad and continuing multidisciplinary research efforts as those conducted, for instance, in the Russian field at Harvard and Columbia. It is my impression that much

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of the invaluable Hoover Institute collection of Chinese Communist source material is still in process of organization and cataloguing. Lastly, the ten thousand or more refugee Chinese intellectuals who fled to Hong Kong are still in Hong Kong—thanks, in a large degree, to our immigration laws. But despite these facts, which do appear to add up to a considerable handicap for the Western student, there has been available since mid-1950 a steady and substantial flow of news out of Communist China.

Looking back on a period of concentrated reading and analysis of this flow, limited to material appearing in translation, I would note three readily available sources.

First, there have been several eye-witness accounts which transcend the usual limitations of narrow focus, emotional surcharge, and special pleading common to the majority of personal reminiscences which are one of the inevitable by-products of Communist takeovers. The impressions of American missionaries like Father Tennien,[1] who have no official status or conduct to defend, are informed by long residence in the country, familiarity with the language, and, especially, by a human and wise insight into the lives and nature of the Chinese people at the grass-roots level.[2] Moreover, the Chinese Communist bid for Asian leadership has resulted in visits to Communist China of specially qualified observers, men like Moraes[3] and Hutheesing,[4] who not only have an Asian's understanding of China's problems and revolutionary aspirations, because both are shared by all the Asian nations, but who also are equipped with a shrewd knowledge of the Chinese with whom they deal. There is a direct relevance, it seems to me, in Asian reporting on Communist China that is lacking, for instance, in even the best foreign reporting on the Soviet Union.

Second, the fact that even a totalitarian society cannot cloak internal developments in complete secrecy, but must reveal much both directly and by implication in open sources, is emphasized, at least at this stage of Chinese Communist history, by the apparent Chinese Communist use of newspapers as an official communications network for the millions in the scattered bureaucracy, especially the cadres at local level in the villages. I recall noting that when, in the course of changeover from regional to provincial administration, the North East Administration Council was abolished August 13, 1954, the Mukden paper, *Tung*

[1] Mark Tennien, *No Secret Is Safe Behind the Bamboo Curtain*, New York, 1952.
[2] See Sister Mary Victoria, *Nun in Red China*, New York, 1953; E. Olin Stockwell, *With God in Red China*, New York, 1953.
[3] Frank Moraes, *Report on Mao's China*, New York, 1953.
[4] Raja Hutheesing, *The Great Peace*, New York, 1953.

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Pei Jih Pao, was discontinued two weeks later; and there appeared, with the creation of the Liaoning provincial administration, a new daily, the *Liaoning Jih Pao*. It does not require very extensive reading of the Chinese Communist press to see that it is as much a kind of dispatch service addressed to the cadres as it is propaganda for public consumption. And, thanks to the invaluable services of the American Consulate General in Hong Kong, the student has easy access to a wide and almost daily coverage of the Chinese mainland and Hong Kong press in translation.[5]

As is the case in the Soviet Union, the top leadership in Communist China appears to have judged it unwise to lie about a limited range of statistics. These are often presented in categories which conceal as much as they reveal; but for the annual budgets and for certain key categories of production, a degree of consistency and truth seems to underlie the over-all figures periodically announced by one or another of the top leaders. Two reservations about Chinese Communist economic statistics remain. First, a continuous flow of statistics appears in the press, covering limited regions or plants, and there seems to be no inhibition about treating these as sheer propaganda items, usually indicating substantial over-fulfillment of planned percentage increases in output. Second, since the mechanisms of an efficient statistical service do not yet exist in China—although they are in the process of being developed—the top leadership itself may not for some years have an accurate knowledge of what is happening within the economy, and the content and coverage of "truthful" figures may alter with changes in collection methods and efficiency.

I shall not comment further on the value of the economic information available in open Chinese Communist sources, already admirably demonstrated by Professors Rostow and Eckstein[6] (and quite beyond my competence), but it may be appropriate to mention some other typical items that have caught my eye.

Like other Communist regimes, Peking carefully conceals the totals of persons executed in the process of establishing control and those sentenced to forced labor, but permits isolated provincial figures to appear in the press from time to time as useful warnings. In 1953, a rough calculation, on the basis of population statistics and from figures cited

[5] The Consulate General issues *Current Background, Survey of the China Mainland Press*, and *Review of the Hong Kong China Press*.

[6] W. W. Rostow and others, *The Prospects for Communist China*, New York and Cambridge, Mass., 1955, Part 5 and Appendix 1. A briefer treatment will be found in Chapter 5 of Richard L. Walker's excellent historical study, *China Under Communism: The First Five Years*, New Haven, Conn., 1955.

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for Kwangtung, Kwangsi, and Sinkiang in official speeches, gave me a total of some 16 million "liquidations"—which may well have included, as some believe, as many prison sentences as executions. Assistant Secretary of State Walter S. Robertson, in his early 1954 statement to Congress, and presumably using the best available official government estimates, accused the Chinese Communists of killing 15 million.[7] In terms of Communist China's population, the difference is not great. Lo Jui-ching, Minister of Public Security, provided some interesting figures on forced labor in an official pronouncement in August 1954: that a single forced labor farm released 5,384 persons in three years; that forced labor produced in 1953 some 2 billion bricks and 770 million tiles; that forced labor in one steel works in Tientsin made 1,700,000 radiator couplers, and the female forced labor in one Peking factory 714,000 dozen socks in 1953.[8] The Peking prison-made socks, according to another official speech, constituted 32 per cent of the total produced in North China.[9] Here, then, is the beginning of a set of area and production figures which at least lays some groundwork for developing over time an inferential confirmation or corrective judgment of the Formosa estimate of 18 million in Chinese Communist forced labor.[10]

More interesting, it seems to me, and more important than tracing conventional Communist parallels is the business of following up the development of potentially critical national factors unique in a given Communist scene, of which Communist China furnishes a striking example in the regime's crucial dependence on steadily increasing agricultural production—dependence, in other words, on the peasant—for success in attaining economic, industrial, and, ultimately, military goals. The Chinese Communist press has provided a continuous and full flow of criticism and instructions addressed to the cadres, supplemented by regional news items and editorials, from which it has been possible to get illuminating insights into every stage of the unfolding of the agricultural drama. Let us take, for example, a very brief selection from the press at the end of 1954, the first year of the New General Line, which provides for enforced purchase of grain. The New General Line, it will be recalled, was worked out at the end of 1953, about the time, incidentally, when an official Kwangsi report stated that 70 per

[7] Testimony before the House Appropriations Committee, February 23, 1954.
[8] New China News Agency, Peking, September 7, 1954, in *Current Background*, No. 293, September 15, 1954.
[9] *Jen Min Jih Pao*, Peking, October 6, 1954, in *Survey of the China Mainland Press*, No. 927, November 13-15, 1954.
[10] Free China Labor League, Lu Ching-shih, ed., *Mao's Slave Camps*, Taipei, 1952.

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cent of the villages were "generally speaking or seriously unstable [*sic*]" in terms of "production sentiment"[11]—a most significant phrase. In 1954, the state purchased—that is, seized for purchase at its own price—80 per cent more grain than the previous year.[12] By the end of the year, it had been necessary to supply grain to 190 million peasants, including those who required grain "to meet need after selling them out"—after having their total crop seized, apparently—and at a price 5.6 per cent higher than the government paid the peasant for the grain,[13] another form of taxation. In two provinces, Hopei and Kiangsi, the task of issuing grain purchase coupons employed 100 thousand cadres.[14] Against official statements of the peasants' gratification at this efficiency and generosity on the part of the government can be set a brief item to the effect that the courts inflicted severe punishment on troublemakers, and that in one *hsien* alone, "Two hundred and fifty cadres and activists checked up their own inertia, and the peasants received a deep lesson, thereby increasing consciousness and making sure to carry out the consolidated purchase of grain."[15] One hardly needs a clearer year-end picture of the size of the task, or a sharper insight into the peasant mood, confronting the regime which has set out to persuade 80 million peasant families into cooperatives by 1957.

To return to sources, there is a third category of publications which represents the efforts of exile groups in Hong Kong, and which includes *China News Analysis*,[16] *Freedom Front*,[17] and the Communist China Problem Research Series,[18] all valuable as Chinese supplements to American and other foreign selection and comment. Under the last of these fall the volumes reviewed here.

Campaign of Party-expansion of the Chinese Communist Party in 1952 is a slice of post-takeover party history pretty much in the language of Chinese Communist sources, quotations from which constitute almost the entire body of the essay. The author makes his own arbitrary estimate of the net gain to the party in the periods preceding and fol-

[11] *Kwangsi Jih Pao*, October 29, 1953, in *Survey of the China Mainland Press*, No. 722, January 7, 1954.
[12] New China News Agency, Peking, December 29, 1954, in *ibid.*, No. 958, December 31, 1954.
[13] New China News Agency, Peking, December 18, 1954, in *ibid.*, No. 958, December 31, 1954.
[14] New China News Agency, Peking, December 29, 1954, in *ibid.*, No. 958, December 31, 1954.
[15] New China News Agency, Chengtu, December 7, 1954, in *ibid.*, No. 952, December 21, 1954.
[16] *China News Analysis*, Ricci Hall, The University, 93 Pokfulum Road, Hong Kong.
[17] *Freedom Front*, 580 D. Nathan Rood, Kowloon, Hong Kong.
[18] Union Research Institute, P. O. Private Bag K-1, Kowloon, Hong Kong.

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lowing the 1952 campaign, taking into account a loss by death or disgrace of 300,000, also an unexplained estimate; and he supposes that the official July 1, 1953, figure of "over 6,000,000" can be interpreted as 6,300,000. By thus disposing of all the unknowns except the one representing the results of the expansion campaign, he arrives at a figure of 400,000 gain as a direct result of the campaign, his conclusion being that this represents a failure on the part of the Chinese Communists to enlist any meaningful popular support, but no indication whatever of any threat to the stability of party power.

Leaving aside the author's conclusions, made in late 1953, and his figures, this brief study is essentially an interesting and relevant contribution to the examination of the total stream of official comment on and criticism of the cadres and activists, which, in turn, highlights the immense tasks confronted by the regime in its efforts to create the necessarily enormous and efficient bureaucracy at provincial, *hsien*, and village levels. It provides a significant insight, in Communist terms, into a situation which probably had not changed in its over-all pattern by the time of the formulation of the New General Line, a year later. This volume is an interesting but minor item.

The author of *Higher Education in Communist China* wonders why the professors in Chinese Communist colleges are not replaced by gramophones and tape-recorders; and he sums up the Chinese Communist educational system thus: "To be sure, the object is to train cadres with uniformity and obedience, not to educate persons with individuality and preference. There is no intention, not even pretence, to find anything, but to propagate what the leaders have found. No one should bother to pursue truth; faith is all one needs. In building up this type of education, Communist China has a 'Big Brother' who is the pioneer and supervisor: the Soviet Union. Communist China is endeavoring to follow the trail as closely as possible. With the help of this pioneer and supervisor, the Chinese Communists have torn down a little village and built up a factory." Nevertheless, he has compiled a meticulously and fully documented compressed history of the Chinese Communist reorganization of education from the end of 1949 to October 1953, a summary which is a first-class exercise in selective but broad coverage of the important official Communist sources for the period.

It includes a capsule statistical summary of Chinese educational history from 1898 to 1949, including both enrollment figures and a total list of universities and colleges, a basis for comparison for which many an American student will be grateful, and a painstaking compilation and analysis of Communist statistics from reports and speeches over the

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four-year period. The emphasis, however, is on the principles, practices, and human problems, especially those of the teaching personnel, involved in the whole reorganization process, all of which are covered with remarkable thoroughness and detail for so brief a study, the subject matter being about 90 per cent quoted from the Chinese Communist press. There is little necessity for evaluation and inference by the author, but the few guesses he makes seem to be good ones. His estimate of 18,000 new engineering students in 1953 can be set against official figures of 22,000-plus for the twenty-five engineering schools in Peking for 1954.[19] His inference that Ma Hsu-lun, Communist Minister of Education, had reservations about the suitability of Russian methods in Chinese education is strongly supported by later published criticism of Russian methods made at a meeting under Ma's direction.[20] On the whole, the student could not ask for a better introduction to the subject than is provided here in material from which he can draw his own conclusions.

Three companion pieces, *The Price Problems of Communist China, Monetary Affairs of Communist China*, and *The Foreign Trade of Communist China*, are historical summaries of Chinese Communist policies through 1953. They share certain general virtues—evidence of extensive coverage of Communist sources, evidence of the authors' informed awareness of the political content of the policies under examination, objectivity, modest conclusions.

The author of *Price Problems* and *Foreign Trade* calculates that the regime mobilized in government hands 51 per cent of the national income in 1953, a generous estimate; and, in his summary of the peasants' position, he oversimplifies the critical agricultural problems faced by the Chinese Communists as they relate to foreign trade capabilities. The author of *Monetary Affairs* deals rather summarily with the future of the entire state-operated economy. But I cannot speak in detail for the economist here. For the student exempt from the necessity of making an economist's interpretation of statistics but intent on tracing the scope and impact on the country and people of the whole range of Communist policy, and therefore constantly in search of reasonably brief but adequate special studies, these three volumes are far and away the best on their subjects that I have seen.

Perhaps the most valuable from this viewpoint is *Monetary Affairs*, a compressed but complete account which details policy, objectives,

[19] New China News Agency, Peking, September 3, 1954, in *Survey of the China Mainland Press*, No. 887, September 14, 1954.

[20] *Jen Min Jih Pao*, Peking, September 11, 1953, in *China News Analysis*, September 25, 1953.

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and results at every level of operation down to the villages for the period through 1953. The body of the work is organized in the form of eight self-contained essays which so skillfully combine statistical data with lucid exposition that the result, without oversimplification or generalizing, is a technical study which covers the ground thoroughly without sacrifice of sustained interest and readability. *Foreign Trade* is admirably organized, with succinct chapters on the Ceylon rubber trade, the history of Chinese trade with Japan and with Great Britain, and the effects of the present embargo—to mention four which are particularly helpful, and with sufficient tabulation to make a thoroughly satisfactory introduction to and explanation of a complex subject for any reader who desires a concise run-down on the background of present Chinese Communist trade moves. This volume is especially useful to the political scientist examining either Sino-Soviet relations or the American interest in the prospects for increased Sino-Japanese trade as a solution to Japan's critical balance-of-payment problems. *Price Problems* does two things of value for the student interested in the political and social impacts of Communist economic and financial policy. It seeks to balance and relate economic policy and the political objectives of the regime. It provides the historical background necessary to the understanding of later Chinese Communist moves such as the elimination of the private rice merchants in Tientsin and Shanghai in early 1954 and the establishment of complete government monopoly of cotton cloth sales in the fall of 1954;[21] and it is an invaluable adjunct to official pronouncements such as the State Statistical Bureau communiqué on the results of the 1953 state plans—that is, the official summary of progress in squeezing out the private sector of the economy.[22]

The general shape of Communist education for the masses, firmly established on the Soviet scene, is now familiar enough so that there are few surprises in store for the student who carries over a knowledge of Soviet educational policies into the China field. And non-Communist over-all qualitative analysis of Communist education, so far as it has been possible to do more than generalize from Communist official statements, is pretty much of a piece. What we appear to lack is the material for meaningful qualitative analysis of specific levels of Communist higher education—for instance, in the field of physical science.

The author of *Education for the Proletariat* is therefore disseminating no news when he states that the chief aim of Chinese Communist

[21] New China News Agency, Peking, September 9, 1954, in *Survey of the China Mainland Press*, No. 888, September 15, 1954.

[22] New China News Agency, Peking, September 13, 1954, in *Current Background*, No. 292, September 15, 1954.

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proletarian education is "to train the workers and peasants to be more obedient and more productive economic slaves," and that such education "is chiefly composed of political propaganda and political indoctrination." What is interesting in his short essay is the Chinese Communist version of the enormous difficulties faced in a country 80 per cent illiterate, and, especially, the official judgments on the Chinese Communist "spare-time" education efforts. For the author lets the Chinese Communists whittle their own statistics down to size, and, with rare restraint and, I suspect, a lively sense of humor, lets an official statement of the results of the Chinese Communist efforts stand without a word of interpretation on his part.

Like the volume on *Higher Education*, this study documents and details one chapter of Chinese Communist history, very satisfactorily bringing the reader up to the end of 1953, and, while it adds no new dimension to our basic knowledge of communism, it furnishes valuable insight into the Chinese theater of Communist effort.

The tendency on the part of too many contributors to the Western press to accept as gospel Chou En-lai's bold characterization of Communist China as already a full-fledged world power has its origin only partly in uncritical estimates of the assistance potential of the Russian industrial economy. It is also apparently rooted in a vision of Chinese Communist armed forces of some 15 million, a vision which does not differentiate between the total and its components—the regulars, of which an unknown number are truly modernized, and the 10 to 12 million militia. As a reminder of the preponderance of the militia in the Chinese Communist military scene, and for its analysis of the organization and character of the militia where the source of such analysis is official, *Militia of Communist China* is of value. The account of the evolution of the militia system, with its commentary on battle tactics, is good history. The author's exposition of the Chinese Communist rationale for militia organization, which he traces to Mao's military theories, is entirely plausible. All this is valid background information on the period preceding the launching of compulsory military service on November 1, 1954, with a draft of 450,000 to be met by the end of February 1955.[23]

But the author's evaluation of the morale and the military potential of the militia is anything but objective. He has sought diligently only for evidence of weakness to support his thesis: "The militia system of the Chinese Communists which drives the entire populace to become

[23] New China News Agency, Peking, September 14, 1954, in *Survey of the China Mainland Press*, No. 888, September 15, 1954.

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tools of war represents an act of despotism unknown heretofore in the annals of the Chinese Nation. . . . But the people will not remain submissive. . . . Indeed, although the populace hitherto have shown almost lamb-like meekness, it represents the limit. In excess of the limit the rage inside their hearts can no longer be repressed. When that time arrives it will not be just passive resistance on the part of the militiamen alone; rather, it will be the militia corps and the populace at large rising together and exploding like a time bomb to blast to oblivion this rule of despotism." This volume, then, is an excellent antidote for too generous swallowing of Chinese Communist boasts of armed-forces potential, but limited dosage is recommended.

The last of the volumes under review, *Revenue and Disbursements of Communist China*, is a compilation of statistics up to the time of, and including, the official report of the budget for 1954, accompanied by a running analytical commentary not only on the published figures but also on concealed revenue and disbursements. The author freely exercises his right to pass moral judgments on Chinese Communist purposes and procedures. The regime's financial position, in his words, "depends on wealth pillaged by illegitimate means"; the budgeted expenses reveal that all efforts are geared for aggressive war purposes. He sees three possible courses of development as the regime seeks to avoid financial chaos—which the author believes is in any case inevitable. The regime may seek to relieve pressure through external military ventures, by increasingly ruthless exploitation of the people, or by reliance on a completely nationalized barter system—the last, as the author sees things, being the most plausible.

One matter of special interest here is the analysis by which the author arrives at the conclusion that national and local revenue receipts in 1953 "occupied" 53.41 per cent of the total national income. Another is his examination of the peasant's tax burden, which has wide connotations, and his estimate that the peasant actually retains only 28 per cent of his income. This is a valuable and helpful volume, for the author, so far as I can determine, has in no way let his personal views delimit his assembling of material and statistics from official sources. There is ample basis here for the reader to reach independent conclusions.

The Chinese Communists, having apparently consolidated their control of the mainland, having terminated the first phase of external adventure, and having taken a realistic look at their position in the Communist bloc, in Asia, and vis-à-vis the Western world, launched into a new and critical stage with the New General Line at the beginning of 1954. The magnitude of their problems is obvious. The new agree-

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ments with the Soviet Union in October, the agricultural situation, the nature of their approaches to Japan and to the rest of Asia, and the first post-takeover purge at high levels in the party are most suggestive of something less than unqualified success at the end of the first year. As news continues to come from Communist China, analytical summaries like those in the Communist China Problem Research Series are of substantial assistance to the student who must read that news in translation. The brief comments I have made scarcely do justice to the total of painstaking research of Communist sources which they represent and the mass of factual data which they make available. They constitute a most useful set of monographs.

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